Daily Report

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Cuba

Sanchez-Parodi Notes 1993 Foreign Policy Goals

PA1201044493 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Jan 93

[Text] Cuba's foreign policy this year will be directed, first of all, toward facing up to U.S. intentions toward hegemony and to struggling for the sovereign rights and independence the Cuban people have earned.

In an interview with the Cuban newspaper TRABAJADORES, Cuban Vice Foreign Minister Ramon Sanchez-Parodi mentioned this topic, adding that in general Cuba will make an effort to close ranks around the aspirations of the popular masses throughout the world, and will struggle against the evils with which humanity is beset. Among these evils, he mentioned the neoliberal policy that is causing so much suffering to Third World peoples, particularly in Latin America, and the degradation of the environment.

The struggle to democratize the United Nations will be another priority of Cuban foreign policy, in line with the agreements reached at the nonaligned summit held in Jakarta, Indonesia.

Eight Tried For Crimes Against State Security

FL0801202493 Havana Radio Rebelde Network in Spanish 1800 GMT 8 Jan 93

[Text] A trial of eight defendants charged with sabotage against state security is being held right now at the Havana City Provincial Court. Reporter Eva Alvarez has more details.

[Alvarez] Right now, Case No. 28 of 1992, based on Preparatory Phase File No. 109 of 1992 of the investigative body of the Department of State Security, is in session at the Chamber for Crimes Against State Security of the Havana City Provincial Court. The prosecutor assigned for the hearing is Isabel Barzaga Montero. What are the charges against the defendants?

[Barzaga] Defendants Carlos Rios Ramirez, Joaquin Ramirez Galan, Vladimir Figueredo Ramirez, (Andres Rios Diburnet), and Demetrio Ramirez Galan are accused of sabotage, as the perpetrators of this crime. Defendents Juan Miguel Mora Pena and Rolando Marrero Morejon are charged with being accomplices to the same crime. Defendant Daniel Mejia Perez is charged with other actions against state security. Mora Pena is also accused of stealing a motor vehicle for personal use.

[Alvarez] What did this sabotage consist of?

[Barzaga] In this case, the sabotage consisted specifically of the slaughter of a considerable number of cattle. This took place at the Vietnam 2 Ranch located on the Havana-Melena six-lane highway in Cotorro Municipality, Havana City Province. The defendants participated in this action in the early morning hours of 2 March 1992. The first five defendants went to the ranch armed with different kinds of machetes, knives, sacks, and other items suitable for committing the crime of illegal cattle slaughtering. As a result, the nation's economy—specifically, the economy of the ranch, which belongs to the Bacuranao Livestock Breeding Enterprise—was affected to the tune of 150,009 pesos.

Robaina Announces UJC Discussions in Villa Clara

FL1201010492 Havana Cuba Vision Network in Spanish 2320 GMT 11 Jan 93

[Text] The first center for discussion [centro debate], which is to continue discussion of the topics addressed during the sixth congress of the Union of Young Communists [UJC], will go into effect January 20-23 in Villa Clara Province. There, everything related to science and technology will be discussed.

UJC First Secretary Roberto Robaina said at a news conference that young researchers from all over Cuba will participate in this meeting, with the goal of having the things discussed at the last UJC congress not merely remain on paper, and of being able to move our country's scientific development forward.

[Begin Robaina recording] The idea we entertained two months ago—of not having the congress really end on 5 April, the date on which it concluded; of our not waiting until 1997, the year in which the seventh congress is to be held; of our keeping the [impetus of the] congress in effect between the sixth and seventh congresses; and of having all provinces support this fact of the congress's [impetus] remaining in effect has just taken off, and this province has the privilege of being first. We have tremendous confidence in what you are going to do. In any case, I am absolutely convinced that you will not only do what needs to be done but will, as always, put that extra effort into it and will do things in such a way as to, truly, have all those who come—(?let us not say out of curiosity) but everyone who comes to give it a try, to see how the residents of Villa Clara have prepared themselves—leave satisfied that the people of Villa Clara did it right; and so that everyone will be able to get something important out of this meeting.

May everyone learn a lesson here for his own such meeting, for what all the provinces are going to be organizing; and so that, in the last analysis, you too will have the satisfaction, in particular cases....[recording fades] [end recording]

It was also announced at the news conference that there will be a big concert at Ernesto Che Guevara Revolution Square featuring Silvio Rodriguez, as well as other concomitant activities, during the event.

Palmero Stresses Support Given to Electoral Process

FL1101172993 Havana Radio Rebelde Network in Spanish 1000 GMT 11 Jan 93

[Text] The formation of the municipal assemblies of the peoples' government on 10 January was a particularly important moment in Havana Province. In Artemisa Municipality, for example, the municipal assembly was formed with the participation of (?112) delegates who, through a direct and secret vote, elected their assembly's president and vice president.

Candido Palmero, a Politburo member and first secretary of the Communist Party of Cuba in Havana Province, stressed the support and impetus that the electoral process has had from its start to the present, and stressed, as an important aspect, the next step in the process.

[Begin Palmero recording] Our province, because of its size—662,000 residents—and in accordance with the law, is entitled to 20 deputies from the base level, 13 from the provincial level, and nine from the national level. In other words, this is the figure. In accordance with the law, we are to have 42 deputies to the National Assembly, and our provincial assembly should be made up of 74 delegates. [end recording]

Palmero also pointed out the arduous work being done right now by the candidacy commission.

[Begin Palmero recording] [Words indistinct] greatest democracy for us to elect 42 deputies to the National Assembly, our candidacy commission has considered more than 9,000—almost 10,000—comrades who have been nominated at the base level in all places, from the work centers, from among the comrades of the Federation of Cuban Women, from among the outstanding Cuban Workers Federation members, from among the innovators, from among the contingents, (?sugar industry workers), intellectuals [words indistinct]. Almost 10,000 names are being considered so that this candidacy commission can propose, and the people approve, 42 deputies to the National Assembly. We can be in no doubt that this is a people's revolution, and a people's democracy, and that really, like no one else in the world, we can afford to say and to affirm what our commander in chief has said, that this phase our Revolution is going through is the most democratic in the world. [end recording]

Candido Palmero also congratulated the people of Artemisa Municipality for their success in the past year in the different production and service sectors, and he said that we are at a particularly important historic point where once more our people are showing their support for the Revolution. The Artemisa Municipal Assembly elected (Juan Carlos Caluff) as its president and Severo Bernal as its vice president.

Lezcano Notes Formation of Municipal Assemblies

FL1101031593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Jan 93

[Text] The 169 municipal assemblies of the people's government in our country have now been formed. We will give you details of this process in western Cuba in this newscast. For example, a special feature of this constitutional ceremony in La Lisa Municipality, Havana City Province, was that Jorge Garcia Geovani, mayor of the Spanish city of Oleiros, was declared an illustrious son of the province.

[Unidentified reporter] The municipal assemblies of the people's government were also formed in the 15 municipalities of the city of Havana.

[Begin recording] [Jorge Lezcano, identified by caption] This process that ends today marks the successful completion of a stage of the goals we have set for ourselves in compliance with the agreement of the Fourth Congress of the Communist Party of Cuba: to perfect the organs of the people's government, perfect the election system, make it still more deeply democratic—despite the degree to which it was already democratic, which makes us happy and proud.

[Jorge Garcia Geovani, identified by caption] Isn't it too bad that the democrats of the West and of the countries of the First World cannot observe, as I am doing, this process that is so clean and so democratic? Those countries should come here to learn about democracy. [end recording]

[Reporter] On the Isle of Youth too, the municipal assembly of the people's government was formed, after a 96-percent attendance by of the delegates was noted. After the election was declared valid, the results of the voting showed that (Miguel Marull Garcia) had been elected president of the Isle of Pines assembly, and (Orestes Flores Espinoza) had been elected vice president. After being sworn into office, the president-elect said:

[Begin (Marull) recording] ...our party, to have this responsibility to which you have elected me entails a great effort and an important commitment that I am certain I will never fail to meet. Those of us who will have to head government management in this province will march alongside the people, our party, and Fidel always, with the sole commitment to serve the Revolution whatever the cost and to die with it, should the need be. [applause] [end recording]

Rizo Alavarez Attends Municipal Assembly Ceremony

FL1201025093 Havana Cuba Vision Network in Spanish 2320 GMT 11 Jan 93

[Text] The 169 municipal assemblies of the people's government have been formed throughout Cuba. Once

constituted in a solemn ceremony, the first thing the municipal assembly of the people's government in Matanzas did was to elect its president by direct and secret ballot. It elected 32-year-old lawyer (Victor Fidel Gautes Lopez). The delegates elected (Oswaldo Enrique Menendez) to be the assembly's vice president.

As occurred in the chief municipality, the province's 13 other [municipal] assemblies were constituted in solemn public ceremonies today [date as heard]. In fact, the ceremony in the town of Matanzas was carried in its entirety by the radio station Radio 26.

Politburo member Julian Rizo Alvarez attended the formation of the Matanzas assembly as a guest. This municipal assembly is made up of 80 men and 18 women, who now have the responsibility to govern justly, skillfully, and with dedication in order to carry out the mandate given them by the people.

Jordan Addresses Las Tunas Municipal Assembly

FL1101170993 Havana Radio Reloj Network in Spanish 1627 GMT 11 Jan 93

[Text] Alfredo Jordan, the first secretary of the Communist Party of Cuba in Las Tunas Province, has stressed the need to strengthen all aspects of the role played by the delegates in each electoral district. Speaking at the formation of the Las Tunas Municipal Assembly, Jordan insisted on the support the political, administrative, and mass organizations should provide to the delegates to improve the results of their work progressively.

He stressed that the effectiveness of our work in solving many of the problems we face is determined to a great extent at the grass roots level, with the broadest participation by the people. Jordan, who is also a Politburo member, also congratulated the members of the electoral and candidacy commissions who have worked in the electoral process in Las Tunas Province. He urged them to do quality work in the coming elections on 24 February.

Balaguer Congratulates Santiago de Cuba Workers

FL1101162193 Havana Radio Rebelde Network in Spanish 1000 GMT 11 Jan 93

[Text] Politburo member Jose Ramon Balaguer congratulated the people of Santiago de Cuba Province for their efforts to overcome the difficulties of the special period. In statements made during a working visit to Santiago de Cuba Province, Balaguer stressed the accomplishment of producing over 1.7 million quintals of tubers, vegetables, and grains—a record amount which almost triples the production obtained prior to this difficult period.

Balaguer particularly stressed the large investments made in the province in irrigation, agricultural infrastructure, hydrophonic equipment, and other important sectors. Balaguer described these results as the product of the efforts of thousands of the province's workers and also of the large investments the Revolution has made in the province in the past.

Vietnamese Minister Salutes Revolution Anniversary

FL0901031593 Havana Radio Rebelde Network in Spanish 0000 GMT 9 Jan 93

[Text] Vietnam has reiterated its confidence in the ability of the Cuban Government and people to overcome the current economic difficulties Cuba is undergoing and to preserve the achievements of 34 years of revolution. Upon saluting this new anniversary of the triumph of the Cuban Revolution, Nguyen Cong Tan, the Vietnamese minister of agriculture and the food industry, stressed: We Vietnamese are convinced Cuba will be able to defeat the U.S. embargo and successfully defend the fatherland and socialism.

The minister also expressed his satisfaction with the level of cooperation attained in 1992, and he affirmed that Cuba and Vietnam will remain united in the face of any difficulty that might arise.

Power Outage Schedule To Be Maintained

FL1001231593 Havana Radio Rebelde Network in Spanish 2034 GMT 10 Jan 93

[Text] There will be no increase in the number of power outages. There will continue to be 9 hours per week of power outages, from Monday through Friday, until further notice. This means there will be no increase in the number of power outages in the capital.

However, consumers must not stop being careful about the way they use this energy just because there may be no outage. it is the end of the year, and it has been possible to continue the reduced number of power outages. The availability of oil in Cuba continues to be minimal. Therefore, economizing in the use of electricity by both the residential and state sectors conditions, to a great extent, the duration of the outages.

According to the power outage schedule for Havana City, the five groups into which the capital's different municipalities have been divided will not receive service at the scheduled times [sentence as heard].

Antigua and Barbuda

Ruling Labor Party Sets Primary Election for 21 Jan

FL1101200693 Bridgetown CANA in English 1926 GMT 11 Jan 93

[Text] St. John's, Antigua, Jan 11, CANA—The ruling Antigua Labour Party (ALP) has rescheduled to January 21, a primary election to choose a candidate for the constituency of St. John's Rural North, party chairman Adolphous Freeland said Monday.

The poll to choose a successor to Prime Minister Vere Bird who plans to retire next year, was postponed last month after objections were raised over a cabinet decision to enforce public service regulations, barring two senior public officers from offering themselves as candidates.

Freeland, who is labour minister said the decision to hold the primary on January 21 was taken at a meeting of the ALP executive last Friday. He said the executive had accepted all the candidates who had declared their interest.

"We have received all the letters from the folks who are interested in running in that primary and we have accepted all the letters. We are in a position to say to the nation that we have no objection to any name." It was unclear, however, if there had been a reversal of the cabinet decision, to reflect the position of the ALP executive.

Education Minister Senator Bernard Percival, Permanent Secretary McClin Mathais, Director-General of Tourism Yvonne Maginley, and political scientist Walter Sweeney are the candidates contesting the primary. The cabinet decision to enforce the public service regulations had thrown in doubt the candidatures of Mathais, Maginley, and Sweeney who are all employed by the government.

Meanwhile, a local newspaper reported at the weekend that Mathais had been suspended as permanent secretary in the Ministry of Economic Development and Tourism by the Public Service Commission (PSC) for breach of civil service regulations.

"I have no response to what the Public Service Commission has done," Mathias was quoted by the privately-owned SENTINEL newspaper as saying.

"I was advised that I should cease forthwith to exercise the powers and functions of the office of permanent secretary, pending further communication. I am bound by what the PSC says." PSC Chairman Bradley Lewis told CANA Mathais' candidature in the primary was discussed in December and the chief establishments officer was mandated to communicate with Mathais.

"Any information about the commission's meeting is processed through the Chief Establishments Office," Lewis said. The chief establishments officer was not available for comment.

On another issue, Freeland said the ALP had set up a committee to look into the question of incumbent parliamentarians being challenged by other party members.

"We are in receipt of many letters regarding (persons who want to run) against incumbents," he said. "We have welcomed the idea, but we have decided to set up a committee to look into all the constituencies and to report back to the executive as to what the actual guideline should be and the process that should be taken."

Grenada

Opposition Claims Budget 'Full of Deficiencies'

FL0601185293 Bridgetown CANA in English 1749 GMT 6 Jan 93

[Text] St George's, Grenada, Jan 6, CANA - Grenada's opposition has criticised the government's 1993 budget as "full of deficiencies", irrelevant, inappropriate, and unacceptable to Grenadians. Opposition leader Winifred Strachan, describing the budget as contradictory, said the government had lost sight of its role and the people it governs. She said that while "purporting to lessen unemployment, (the government) gives no clear statement on how this is to be achieved."

In presenting a 245 million dollar (1 EC dollar = 37 U.S. cents) budget with recurrent spending of 177 million dollars and a capital expenditiure of 68 million dollars, Prime Minister and Minister of Finance Nicholas Brathwaite said retrenchment of civil servants would continue to slash the 90 million dollar wages and salaries bill. The aim, he said, was to achieve a surplus on the current account to avoid having to enter a more drastic adjustment agreement with the International Monetary Fund (IMF) than the current self- imposed program. "If this is what the government has to offer then the time has come for them to go. How could they be talking about decreasing unemployment and in the same breath decreasing the public service by five hundred," Strachan asked?

The 1993 budget has fallen short of addressing the unemployment situation facing the country, she said, noting that the present situation is the "creation of politicians" who have misled and fooled the young people over the years. The opposition leader accused the government of sending confusing signals to the nation and the international community.

Strachan said Grenada had become a reluctant partner of the IMF through the policy of the ruling National Democratic Congress, (NDC). She called on the government to encourage banks to lend for agricultural purposes if the country is to experience the agricultural rebirth predicted by the minister responsible for agriculture. She said the government's structural adjustment program is providing "mystic conclusions and assets." "Clearly, government contemplates the possibility of failure," she said, noting the government used too many "if's" in its budget. "The mistake that the budget makes is that it implies an element of surprise and helplessness," she said, accusing the government of gross neglect of the productive areas of the economy.

The opposition leader said the budget was not credible since if was developed in the absence of a public accounts committee as called for by the house standing orders.

Haiti

Foreign Minister on Negotiations, OAS Mission

FL1101230793 Port-au-Prince Radio Metropole in French 1700 GMT 11 Jan 93

[Text] According to the Ministers Council, several foreign delegations are expected in Port-au-Prince during the coming weeks. The question regarding the negotiations was raised in the latest Ministers Council and the foreign affairs minister stated during the meeting that several consultations were now taking place or took place recently, directly or indirectly with several parties concerned in the crisis. For the government, those consultations are informal. However, the government's participation remains in conformity with the position adopted and restated by the prime minister in his 30 December address.

Regarding the OAS mission in Haiti, the government points out that the administrative and juridical status of the observers has not been defined due to the OAS' failure to give its agreement on a bill presented to the mission by the Haitian Government. The foreign affairs minister stated that a satisfactory solution is being considered. It should be recalled that since 23 December, the activities of the OAS mission have been concentrated in Port-au- Prince, following the government's decision prohibiting the 16 members of the mission from going to the provinces. It should be noted that the OAS secretary general had officially suggested an immediate increase in the civilian presence of the mission in Haiti as a fundamental element in solving the political crisis.

Four Senators To Seek New Term in Elections

FL1101220893 Port-au-Prince Radio Metropole in French 1700 GMT 8 Jan 93

[Text] Not all of the nine senators whose mandates are expiring, intend to run again. Four senators are participating, including Dejean Belizaire and Guy Bauduy. The others begin another form of struggle: the legal struggle, they say, in order to force the current chief team to stop the electoral process. Ansy-Rose Resignac filed a report. [Begin Resignac recording] Out of the nine departing senators, four of them intend to run again in the upcoming partial elections, while four or five have taken an opposing decision. The senators, who have decided to go for a new mandate, are mostly from the pro-governmental bloc that supports the electoral process. The other faction is essentially composed of senators from the opposition, which spent the remainder of the year clamoring against the establishing of the assemblies and the Permanent Electoral Council as well as the holding of elections.

Dejean Belizaire is the first departing senator to announce his intention to face the electoral struggle. The third representative of the Artibonite Department, who became the president of the Senate and the National Assembly in August 1991, had stated that only crooked dealings could stop him in the coming competition. Elected under the National Alliance for Democracy and Progress [ANDP] banner during the last elections, this time, Dejean Belizaire will represent the National Patriotic Movement of 28 November, the political party that he leads.

Two other senators from the former ANDP, Serge Gilles and Amos Andre of Nationalistic and Progressive Revolutionary Party of Haiti [Panpra] also intend to be among the newly elected. Serge Gilles' party, Panpra, supports the elections which he thinks are necessary for the protection of the parliament which is considered a democratic asset. Serge Gilles will run for the Center Department and Amos Andre for the Northeast.

The candidacy of Guy Bauduy as an independent for the Southeast was a suprise. It is true that the senator had this intention a long time ago. However, Guy Baudy, who was at first part of the pro-governmental alliance, has joined the parliamentary opposition whose views he has shared for awhile.

Robert Opont never decidedly gave his opinion on the matter. The third senator of the Grand-Anse had however asked as a condition for participation that the elections be honest and credible. The party he is part of, the Haitian Christian Democratic Party [PDCH], is participating in the consensus government. The PDCH has decided to participate in the elections while several of its parliamentarians, including Robert Opont, are joining the opposition. It is even said that the PDCH has appointed a candidate for Grand-Anse.

A specific case is Senator Pierre Raoul Remy, third representative for the North. Sen. Remy, who is sick, seems to be physically compelled to give up everything. The two departing National Front for Change and Democracy [FNCD] senators, Joseph Wesner Emmanuel and Art L. Austin, two of the most fierce opponents to the electoral process, would not just reject the elections. Sen. Emmanuel recently stated that the FNCD elected people were considering new strategies to prompt the authorities to postpone the electoral process.

The final case to be noted is that of the Movement for the Establishment of Democracy [MIDH] senator, Franer Jean-Baptiste, the third representative for the South. Although part of a party supporting and participating in the consensus government and the electoral process, he will not participate. The MIDH senator who never specified exactly the reasons for his decision, had stated a few months ago that he was ashamed to be a senator. Franer Jean- Baptiste indicated that he was disappointed. That might be; at least apparently, it is the official explanation. [end recording]

Bauduy To Run for Senator as Independent

FL1!01225493 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 11 Jan 93

["Report" on a news conference given by Senator Guy Bauduy in Port-au-Prince; date not given—italicized passages in French]

[Text] Senator Guy Bauduy announced in a news conference that he has registered as a candidate in the 18 January elections. The senator said at that time that he is supporting the views of the Constitutionalist Bloc and National Front for Change and Democracy parliamentarians who are against the holding of these elections. Bauduy is running for senator in the Department of the Southeast and says he is an independent candidate of the new left.

What are Sen. Bauduy's reasons for participating as a candidate in the 18 January elections? First, he thinks that—even though armed struggle does not exist any longer—the principles for waging a struggle have not changed. Candidate Bauduy therefore believes he must wage the struggle everywhere, on both his ground and the ground of the adversary no matter whether it is booby-trapped ground, bumpy ground, mined ground, asphalted ground, ground planted with grass, or carpeted ground. Bauduy stated that he must not give (word indistinct) to the adversary. Let us force the adversary to unveil his true face. Let us go massively to the elections, said the southeastern senator who, however, remained in solidarity with those of his colleagues who are asking for the cancellation of the electoral process.

[Begin Bauduy recording] *I will fight [words indistinct]. In the [geographic] departments where there are not the candidates who can represent the people in a worthwhile and democratic manner, I ask [the people]—and I support my colleagues' request to their electorate—to refrain from participating [in the elections]. However, in the southeast, we will fight on the booby- trapped ground of the anti-democratic forces and we will win.* Let us imagine that the people in the southeast go to the polls and that they grant me a mandate again, but that in other places they keep away from the elections, do you not see that it is the demonstration....[pauses] that it is the people's wish which will show itself? It would be an indication for them to go massively [to the elections] where they have an opportunity to do so and that they have their voices heard, but also that they do not go [to the elections], that they keep away from them where they do not have that opportunity. We know that it is through rigging that the other candidates will win. [end recording]

When Sen. Bauduy was asked if he is not contradicting himself for having said that he will go to the elections and that at the same time he is against those elections which he calls selections. He answered that those, who are practicing politics in living rooms, may see contradictions, but that the politicians who are on the field, will acknowledge that it is a normal stand. Even though the match has been fixed, even though the arbiter will cheat, I am nevertheless there. May he eliminate me, stated Sen. Bauduy, who went on to say that if he wins, he will accept being a senator, but that if he realizes thereafter that the elections were not valid, he will resign and will run again in other elections.

Guy Bauduy said if the people of the southeast do not go to the polls on 18 January, this will mean they do not believe in him anymore, that is he has lost his credibility. Bauduy said he is not just an independent candidate, but an independent candidate of the new left. In his opinion, new left means a good socialism originating from Jesus Christ, going through some great (?ideas) in the Soviet Union and some political images in the United States, and eventually ending up in the Universal Declaration of Human Rights and the great principles of peasants. Guy Bauduy is a candidate, but he is against the unfolding of the electoral process.

Voting Offices Attacked; Army To Oversee Elections

FL1101170093 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 11 Jan 92

[Text] The electoral council advises the people that according to reports received from the Department Electoral Office of the South on the night of 9 January, armed men attacked several Registration and Voting Offices [BIV's] in Sainte-Helene in the fourth communal section of Laborde in the Les Cayes region. As a result of this terrorist action, three persons were the victims of bullets and other weapons. The terrorists removed several voter registers. The victims are being treated in a Les Cayes hospital.

A communique issued by the electoral council on the event charges National Front for Change and Democracy Deputy Fritz Robert Saint-Paul with conducting a systematic campaign of disinformation on the elections in the Les Cayes region. According to the communique, the deputy, scorning Articles 131 and 132 of the 1990 electoral law, is inducing voters not to go to the polls. The electoral council says it regrets that politicians continue to make political threats against the electoral process.

Condemning the terrorist actions against BIV's in the Department of the South, the electoral council reaffirms its determination to hold, with the support of the forces of order, transparent elections on 18 and 25 January.

Furthermore, the electoral council announces that the Haitian Armed Forces have established a committee to ensure safety in the electoral process throughout the country. To that end, the electoral council notes, Colonels Joseph Pierre Antoine and Jean Eugne Jose participated with the members of the electoral council in a first working session.

Parliament Opens 11 Jan Following Month Recess

FL1201115593 Bonaire Trans World Radio in English 1100 GMT 12 Jan 93

[Text] The Haitian Parliament opened after more than a month recess yesterday. So far, the opposition party has blocked the government of Prime Minister Marc Bazin from achieving a majority in parliament.

Meanwhile, the OAS Human Rights Commission has urged Haiti's Armed Forces and interim government to halt what it calls systematic violation of human rights. The group says Haitian police and Armed Forces have illegally detained, tortured, and executed up to three supporters of ousted President Jean-Bertrand Aristide.

St. Lucia

Earnings From Bananas Total EC184 Million in 1992

FL1101181493 Bridgetown CANA in English 1545 GMT 11 Jan 93

[Text] Castries, St. Lucia, Jan 11, CANA—St. Lucia banana farmers were told over the weekend that they can look back with "some degree of satisfaction" on their performance last year.

Reviewing the industry's 1992 performance in a message to farmers, St. Lucia Banana Growers Association (SLBGA) chairman Elijah Marquis put output at 133,000 tons, up from 100,952 tons in 1991.

Earnings amounted to EC184 million dollars (one EC dollar ; 37 cents US), up from 157 million in 1991.

Marquis said 1992 earnings would have been higher, were it not for the devaluation of the British pound sterling in September 1992. St. Lucian bananas are exported to Britain.

He emphasized the importance of farmers improving their fruit quality this year.

He noted that while the industry "very often managed to meet the monthly average" for fruit quality last year, it "never" attained the cumulative three-monthly average set by the British Ministry of Agriculture, Food and Fisheries.

"This year, we have to be resolved to do a lot better than we did in 1992," Marquis said.

He told banana farmers that come July, when a new regime to regulate the banana trade on the single European Market comes into existence, the European commissioners will be responsible for determining banana quality.

"They are not going to be as sympathetic towards us as was usually the case with the British, with whom we have had a longstanding relationship," the SLBGA chairman warned.

It, therefore, was "imperative" that farmers and others involved in the banana industry do everything to ensure that fruit meet the quality standards established by the European Commission, he said.

Marquis, who also heads the Windward Islands Banana Association, said the SLBGA was implementing a number of measures aimed at improving the export quality of local bananas.

He noted these measures would relate "particularly" to the method of packing bananas and the system of crown rot control. Crown rot and mechanical damage have in the past been identified as two of the main quality problems affecting local banana exports.

Marquis also said a number of things would have to be done to the organisation of the industry to ensure "that in the new market configuration, we take our rightful place and when the period of protection is no more, that we will continue to be on the market earning a living as we are accustomed to doing."

He said a "detailed" look would have to be taken at the SLBGA "as presently constituted." He also spoke of the need for the industry to examine its marketing organisation.

"I would say boldly here that the the associations must be involved in the chain of marketing and distribution," the SBLGA chairman said. He added that Windward Island Governments and banana associations also needed to look at shipping.

He said sub-regional associations, governments and the traditional purchaser of Windward Island bananas, Geest Plc., "must" fashion a package "that allows us to be involved in that (shipping and marketing) process."

Geest has denied accusations in recent times that it has been shortchanging Windward Islands farmers by failing to equitably share huge profits made from the marketing of bananas overseas.

Salinas Delivers 'New Year's Message'

PA1101204393 Mexico City Canal 13 Television Network in Spanish 1225 GMT 11 Jan 92

["New Year's Message" by President Carlos Salinas de Gortari to the nation on 10 January; place not given—recorded]

[Text] Fellow citizens: This is the beginning of a new year. I wish each of you and your families the best. This is also a time to renew our commitments to the country's future. I know what aspects interest you most. I, therefore, want to reiterate to you my firm resolve to continue to fight inflation. From the beginning of my government term, I pledged to fight excessive price increases, which always exceed the housewives' resources. We are achieving this.

We have reached inflation levels that we had not seen for almost 20 years. Granted, the prices of some products have continued to increase, but less so. We can reduce inflation to even lower levels, allowing us to plan our future better. We are achieving this. I reiterate that we will continue to do so. Lower inflation permitted us to introduce the new peso, similar to the one known by our parents. This peso expresses better the real value of things for our fellow citizens and brings our economic figures into a better perspective, comparable to those of the rest of the world. We introduced this monetary reform with care and foresight. Since more than two months ago, all prices were expressed in new pesos so that we could get used to them and avoid unjustified, brusque changes. Every change entails some difficulties at first, but we gradually get used to them. We will be able to have an economy with more realistic figures and operations will be more practical and simpler.

We must reiterate jointly our determination to expand our economy, permitting us to have more jobs and more job opportunities. This is the most important thing: To create more jobs. Our economy is flourishing gradually and is gaining stability, above all. I recognize that this growth is still not enough to permit everyone to find what they need and what they undoubtedly deserve. A big effort will be made this year to build more homes, approximately 320,000 which will result in the creation of many jobs and better living conditions for more Mexicans. An effort will be made to make these jobs more permanent and more productive. To this end, we will support enterprises, particularly microenterprises and small enterprises. We will unite efforts to achieve this.

I vow to continue to work every day to promote more jobs and to permit more job opportunities to reach a greater number of Mexicans. We must achieve a faster growth rate to create more jobs. The free trade agreement is an additional mechanism that will help us achieve this. The Canadian and U.S. Governments have reiterated their willingness to have a free trade agreement with Mexico. We trust fully that their respective legislatures and ours will approve it.

I met with U.S. President-elect Clinton on 8 January. We reiterated the importance that both our countries attach to a relationship of respect, friendship, and fair exchange, above all, with total respect for our sovereignty. We agreed in our talks to build a more promising future between our nations. For us, the treaty will open an enormous market for our exports, will promote investments, jobs, and will give us access to more and better products at more accessible prices.

We want additional jobs and better living standards for Mexicans. That is why I proposed to have more social justice in Mexico since the beginning of my government term. In other words, I set out to have less poverty and fewer hardships. I renew this commitment today with those who have less. We have progressed each day. Solidarity today is providing more services. It is building, repairing, and equipping more schools, clinics, and highways. It is connecting electricity and providing potable water service, which has been so long awaited by our fellow citizens who have the least. We have done this with the solidarity of each Mexican. A long road lies ahead, but we will not ease our effort, which is an effort of all Mexicans. Solidarity will continue to take resources and organization where they are needed the most. We will, therefore, promote unity and progress.

We will consolidate educational reform so that our children can be educated with love for Mexico and receive quality education. The commitment is by all of us. I invite you at the beginning of this year, particularly teachers and parents, to renew our will to participate actively in the education of our children. I pledge to provide more resources for education, to repair the schools in areas needing them the most, to promote the training of teachers, and to improve educational standards.

Let's work together to take advantage of the opportunity to help children and youths to prepare themselves better, so that hereafter they can attend compulsory high school education.

Let's help the farmers in their great task of transforming rural life. We took the legal steps in 1992. Now, with greater vigor, we will give farmers security in their land, in their homes. We will improve support of production efforts and will seek to create more jobs in the countryside, where they are needed, so farmers will not have to migrate to the cities.

We will also strengthen measures to protect the environment, enforcing them strongly, cleaning up waters, protecting our forests, and preserving the productive lives of inhabitants. We will work more to improve the air in our cities, especially in the capital. This is a commitment in which we must all participate.

I reiterate that I will not cease to put forth all my efforts so that the country and each one of you receives from your government the peace that is so valuable and which we have achieved together.

Fellow Mexicans, now we can see the result of four years of efforts. We acknowledge what remains to be done, but we also recognize what we have accomplished together

with great effort to set the firm basis of our hope. We can look to the future with more confidence, in view of what we have accomplished. We can truly attain what we have set out to achieve. We really have the energy to conquer and overcome challenges. We can truly build the Mexico we want for our children and our grandchildren.

I wish you good health for your families and that your hopes will be achieved this new year. I sincerely wish you all this on the part of my family and myself. I congratulate you cordially on this New Year and invite you to share in this noble task of building together our new national grandeur. Thank you very much and Happy New Year to all of you.

El Salvador

UN Secretary General Rejects Government Request

PA1101183693 Mexico City NOTIMEX in Spanish 1714 GMT 11 Jan 93

[Text] New York, 11 Jan (NOTIMEX)—UN Secretary General Butrus-Ghali on 11 January rejected the Salvadoran Government's request to carry out a staggered purge of 15 members of the Armed Forces lasting until the end of its mandate in May 1994.

"I urged President Cristiani to adopt measures as soon as possible to settle the situation of 15 officers on which the recommendations of a special commission have not yet been fully applied," Butrus-Ghali stated in a letter sent to the UN Security Council on 11 January.

Cristiani on UN Secretary General's Letter

PA1101210593 San Salvador Radio Farabundo Marti Network in Spanish 1843 GMT 11 Jan 93

[Text] During an 11 January news conference, President Alfredo Cristiani said the government has acted in keeping with the peace agreements concerning the Armed Forces purge, taking into account the welfare of the country. We believe the agreement on the purge has been fulfilled, although not to the letter, the president stated.

In response to a question on the report by UN Secretary General Butrus Butrus-Ghali to the UN Security Council that the measures adopted by the government with regard to 15 high-ranking officers are not enough and only measures affecting 87 Army offices have been made, Cristiani explained that he has not received any official information from the United Nations.

[Begin recording] [Cristiani] First, we have not been informed of this report. It appears on a letter addressed by Butrus-Ghali to the UN Security Council president, and not in a direct report made by the UN secretary general to me or the government. But we believe the measures.... [pauses] Obviously, the UN secretary general, in strict adherence to the verification of compliance with an accord, has no alternative but to make such statements. He does not have the power to unilaterally modify the agreements.

According to the information received by [words indistinct] General Vargas and [Presidency Minister] Dr. Santamaria, they reviewed the position of compliance in general terms and agreed that it was not satisfactory. In the letter, the UN secretary general used the term to regularize instead of noncompliance.

[Unidentified reporter] [Question indistinct]

[Cristiani] No. I believe that there have been some misinterpretations that we are postponing some agreements. But these are just mere speculations. We clearly told the UN secretary general what we are going to do.

[Reporter] [Question indistinct]

[Cristiani] Additional changes?

[Reporter] Additional changes, exactly?

[Moderator] [words indistinct]

[Reporter] Do you really intend to maintain a group of military officers until 1994?

[Cristiani] It would seem as if you all agreed beforehand to obtain all the information bit by bit by asking a simple question here and another simple question there. [laughter] We have already stated what we have done. We have already said we made an administrative decision as it relates to 100 percent of the officers.

[Unidentified reporter] What are the administrative decisions you have made?

[Cristiani] That can only be answered by the UN secretary general. [end recording]

On the other hand, Cristiani rejected that he would appoint a civilian as defense minister since he personally believes that that state portfolio should continue under military hands at least during the transition phase.

Government Officials Deny Negotiations With FMLN

PA1101214493 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 11 Jan 93

[Report by Flor Aleman]

[Text] The month of January has begun with a flurry of political actions, as the archbishop of San Salvador said during his homily on 10 January. The focal point right now is the Armed Forces purge.

On the morning of 11 January, Defense Minister General Rene Emilio Ponce referred to this issue and denied there has been negotiations on the purge issue between the Farabundo Marti National Liberation Front [FMLN] and the government.

Gen. Ponce, like President Cristiani, questioned the recommendations made by the commission.

[Begin Ponce recording] [Words indistinct] unjust positions that did not respect the rights of the military. The Constitution establishes our obligations, but it also grants us rights. [end recording]

Vice President Francisco Merino said the purge proposal President Cristiani presented to the UN secretary general has the accord of the FMLN. He confirmed, however, there has been no negotiation between this organization and the government.

[Begin Merino recording] [words indistinct] has reached an understanding and it enjoys local acceptance, including the FMLN, [words indistinct]. Timely changes are being made so there is no disruption and the professionalism of the Armed Forces will be maintained. Twelve battalions have been dissolved. Those battalions were created to respond to armed aggression, but there is no longer any reason for their existence and this is why we have acted quickly [words indistinct]. [end recording]

Regarding rumors about secret negotiations between the FMLN and the U.S. Embassy, Merino said that the FMLN is no longer negotiating for its participation in the country's political life because now it is a political party.

[Begin Merino recording] I believe there would be no sense in speaking about negotiations with the U.S. Embassy unless this has to do with aid programs that they could be requesting unilaterally. [words indistinct] it is no longer a group negotiating its participation. It is a political party and it enjoys the same prerogatives and has the same limitations of the other political parties. [end recording]

These two officials made these statements within the framework of reconciliation during the Transition Period Conference that is taking place in the capital.

Defense Minister Says Army To 'Speed Up' Purge

PA1101220293 San Salvador Radio Cadena YSU in Spanish 1800 GMT 11 Jan 93

[Summary from poor reception] "Defense Minister General Rene Emilio Ponce said on 11 January that the Armed Forces High Command had reached an agreement with the government to speed up the purging of the Army as a means of complying with the peace agreements. Gen. Ponce noted that as of last week, the demobilization of 14 counterinsurgency battalions had been concluded in fulfillment of the peace agreements reached by the government and the FMLN. The top military officer said that to date the Salvadoran Army has been reduced by 40 percent from its original troop strength."

[Begin Ponce recording] The government and the Armed Forces have agreed to accelerate the purging of the Armed Forces, to make the process faster. So far, we have reduced the Army by 40 percent. [end recording]

"It was learned in local and international news circles on 11 January that the dismissal of National Police Director Colonel Ciro Lopez Roque might be one of the first measures President Alfredo Cristiani takes as part of the Army reorganization. Gen. Ponce did not confirm this, but he reiterated that the purge is being accelerated."

[Begin Ponce recording] There have not been direct negotiations with the FMLN. But there has been coordination to promote the peace process. [end recording]

"According to the peace agreements, the Army is to be reorganized and reduced in a new, peacetime context. An ad hoc commission created under the terms of the peace agreements to evaluate the military institution's officer corps recommended to President Alfredo Cristiani the dismissal of more than 100 top military officers, including seven generals, colonels, and officers of other ranks, who were implicated in serious human rights violations during the civil war in El Salvador, which lasted almost 12 years."

FMLN Commander Denies Rumors of Internal Division

PA1201150993 San Salvador Radio Cadena YSU in Spanish 1230 GMT 11 Jan 93

[Interview with Commander Juan Ramon Medrano of the Farabundo Marti National Liberation Front, FMLN, by station reporter "Mario" at YSU studios in San Salvador—live]

[Summary from poor reception] [Mario] "Insistent rumors circulated in San Salvador over the 9 January weekend regarding an imminent breakup of the Farabundo Marti National Liberation Front [FMLN] as a political party as the result of differences between two of its five component organizations. We have Commander Juan Ramon Medrano here with us at YSU to explain just what the situation within the FMLN is really like.

[Medrano] "Good morning, YSU listeners. It is truly necessary to speak of current topics. As for FMLN unity, it is a unity of plans and general projects. It is not a strictly organizational issue. I believe we have passed the test of remaining united on the basis of a natural bond that the war did not dissolve. Now we have to pass the test of remaining united on the basis of ideas and, if not consensus, at least of pacts, in order to maintain a common position, perhaps not in the style of the parties that had joined together, but in the style of the new parties that are not afraid to debate ideas." We will begin to discuss plans so we can reach an agreement. "Thankfully, no problem has emerged that cannot be resolved."

[Mario] "It was understood from the last news conference that the problem in the FMLN is due to the fact that the People's Revolutionary Army [ERP] and the National Resistance are reportedly in favor of clemency for the military officers named in the purge."

[Medrano] "It is not a matter of clemency." It has to do with deciding on the best way to achieve the fullest compliance with the agreements. We also seek communication with the sector with which we are negotiating.

[Mario] "Another point that was constantly brought up over the weekend is that as a result of a meeting of some 30 ERP commanders with the U.S. Embassy, millions of dollars are reportedly involved. There is talk of some $40 million to promote housing, agroindustrial, and other projects."

[Medrano] "I think that is speculation." I think it is obvious we have to talk with many sectors, with the Embassy, and with the military to reach agreements. We definitely had an exchange of positions on a number of things, "but not to demand resolution of any of our problems." We sought compliance with the peace agreements in all areas, "not just regarding the purge, but also regarding lands and the political, electoral, and judicial areas." "Our position is clear: Reconciliation and agreement are the basic concepts at this time."

[Mario] "What will happen in the next few hours? Will a communique be issued reaffirming the unity of the FMLN as a result of yesterday's meeting?"

[Medrano] "Actually, FMLN unity was never in danger." What we are discussing is a pact to expand and enrich the FMLN. We must maintain a realistic position that acknowledges that national interests are at stake.

[Mario] "Then the communique to be issued in the coming hours will summarize all areas of local current affairs?"

[Medrano] "I think so." "We consider reconciliation and agreement as basic concepts."

Cristiani on Cabinet Changes, Other Issues

PA1201042093 San Salvador Radio Cadena YSKL in Spanish 1715 GMT 11 Jan 93

[News conference by President Alfredo Cristiani with local and foreign reporters in San Salvador; live—monitored in progress]

[Excerpt] [Cristiani]...is something that could curtail the freedom of expression of other groups. We view the Electoral Code as a law that regulates the activity of political parties. In this regard, the political parties have regulated themselves. This matter of regulation belongs in the Electoral Code. If the parties reach an agreement on regulating themselves, I believe this is not wrong. The problem we in the executive branch saw was that this special article attempted to regulate third persons.

I think there should be more study and analysis of this and the other article. I think the regulation should come from political agreements through the intervention of the Electoral Tribunal for the various campaigns. We think that the propaganda the parties have designed was based on the belief that they will be seen at the times of greatest media audience. We do not necessarily listen to the radio or watch television during working hours. Specific times would vary from day to day and from media to media. To leave room for self-regulation by the political parties through the Supreme Electoral Tribunal would also provide flexibility for change from one election to another.

We feel this must be studied more, especially the first part, because we do not agree completely with the limitation on third persons for more than a certain time. We think it is advisable to keep from influencing the electors, that they be spared the bombardment of the campaign (?for a certain time).

[Reporter, in English] [Words indistinct] if you knew Bill Clinton, and if you remember him as a student, and also as a classmate at Georgetown [words indistinct].

[Cristiani, in English] Well, I did not know Mr. Clinton on a personal basis while I was at Georgetown. We were in two different schools. I understand he was in the Foreign Service School; I was in Business Administration, and the Business School was sort of the outcast. We were off the campus. We had our classes, so I did not get to know Mr. Clinton on a personal basis while at Georgetown, so I could not explain how he was, or characterize him during his student years, or characterize him now, or one against the other.

[Reporter] [Words indistinct]

[Cristiani, in English] Oh, the period of the 1960's was basically one of two areas of concern for the United States, especially in a city like Washington was basically the theme. [sentence as heard] One was the war in Vietnam and the demonstrations against the U.S. participation in Vietnam, and the other was rights. Throughout the years of Martin Luther King, Washington being predominantly a Negro population, it was the theme in Washington. But I was outside of all that, being a Salvadoran student [words indistinct], try to get good grades and graduate.

[Reporter] In Washington political circles there is talk about restructuring the Salvadoran cabinet. It is said Dr. Santamaria could possibly become defense minister, Zablah might be planning minister, there will be changes in the Information Secretariat, and in other secretariats, perhaps the (?president), also. [laughter]

[Cristiani] [Words indistinct] I would answer by stating that changes in the cabinet will be decided by the Presidency of the Republic, not political circles in Washington. We will continue, as always, to evaluate the performance of various officials. We have never needed to talk about restructuring for its own sake. We believe every minister performs. There have been cases in which ministers have resigned for personal reasons. We have a current case of a person who, for very personal reasons, has to return to his private job. Being a member of the public administration has represented a decline in his professional and private lives and he asked for our understanding in this regard. This is the deputy interior minister. There are no plans, however, for mass changes in the cabinet. I do not know where political circles get this information but, definitely, such decisions are made here, not in Washington.

[Reporter] What about the possibility of a civilian as defense minister?

[Cristiani] I believe that is up to the discretion of the president. He has the authority to appoint his ministers.

There is nothing to prevent this. Of course, one always has to try to see what is best at any given time. My personal opinion is that, at this time, the minister should be a member of the Armed Forces.

[Reporter] To continue with your statement that the minister should be a member of the Armed Forces....

[Cristiani, interrupting] I said at this time.

[Reporter] For the time being?

[Cristiani] For the time being.

[Reporter] Thus, you are clarifying this. Does this mean you still intend to purge the Armed Forces gradually? International news reports cite you as saying that the gradual purge was mere rumor. The reports said the present Armed Forces ministers [as heard] should be (?retained) until you complete your term. That is my first question. The second is: Do you still share the feelings of some deputies that the Electoral Code is unconstitutional regarding polls? My third question is: What has the president done to send the Agrarian Code to the National Commission for the Consolidation of Peace and what is the content of that code? Reportedly it is to be completed in January.

[Cristiani] Regarding the first point, at this time I believe that the Armed Forces, especially in view of the restructuring that it has undergone throughout this process, should continue to be administered by members of the Armed Forces, who know it well, rather than by someone who would come up and not be familiar with the military structure. There will be times in which presidents, under other circumstances, will have to decide whether to appoint a member of the Armed Forces or a civilian. It is the prerogative of the president of the Republic to appoint his ministers. There is nothing in the law to prevent him from appointing a civilian, a soldier, a lawyer, a priest, or anyone else. I simply believe that each president will have to decide, at the time, what is best for the defense portfolio. We have made a decision, and it has no implications for the ad hoc commission. [passage omitted including indistinct portion]

Guatemala

Serrano Delivers 'Presidential Message'

PA0801160993 Guatemala City Radio and Television Networks Spanish 0230 GMT 7 Jan 93

["Presidential message" by President Jorge Serrano Elias in Guatemala City; date not given—live or recorded]

[Text] Dear friends, we come to your homes again on this day as one year concludes and another starts. There is new hope every time something starts. We also have new hopes for our country, government, family, and in general for the entire Guatemalan family.

We experienced the two harshest years of our time: two years during which we suffered much, during which we worked intensely, during which we tried to do the best for our country. Governing by doing what everyone wants is impossible. Governing by doing what should be done is difficult, especially in a country such as ours, which had been under dictatorship and anarchy. We want neither.

We want a country ruled by law. We want Guatemalans, regardless of who they are, to respect the law to ensure the country is a livable place; otherwise, it will be virtually impossible to achieve this. We want each institution, each person, to respect the law. Each Guatemalan—from the president of the Republic down to the most humble person—has obligations and rights. The state must guarantee these rights and obligations.

Unfortunately, now that dictatorships are behind us and we are living in a broad democracy, people think they may do as they please. They think democracy is libertinism. That is really not so. Democracy means we must all respect the rule of law, a law that defines our behavior and supports the exercise of our rights.

It was difficult to make the decisions we did, because we had to step on many interests to bring order to our economy. Those interest groups often agree in theory with government actions. But they publicly criticize the government for them. For how many years have we heard many groups criticize subsidies? Subsidies are nothing more than a way to take away resources from the entire population to give them to small groups.

My government committed itself with courage and vigor to eliminating such subsidies. Those who had said subsidies were bad are now criticizing us. They oppose our actions. They have a right to do so. We, however, also have the right to protect the people who voted for us, who do not even realize that we are protecting them, because they have a right to have their resources invested in their development.

We were actually able to give municipalities all the resources they deserved. This was never done before. Why were we able to do this? Because we are dedicated to those we serve: The Guatemalan voters. We delivered by increasing the salaries of all state employees. How were we able to do this: Through an honest management of public assets and by showing our social awareness. We knew that it was impossible to live on the salaries that public employees used to earn. It was very difficult to keep capable people working for the state when they were being offered better salaries elsewhere.

Thank God we have been able to comply with all these commitments. We have done so basically through honest work. My government has not received—as previous governments had—large amounts of money from abroad to support government policies. On the contrary, when I assumed the Presidency some sources restricted funds; they restricted aid to place condition my government's economic and social plans. We found the doors of the

leading international credit banks totally closed. I must tell you we have paid more than 1 billion quetzales in overdue debts acquired by previous governments.

All this has been done, Guatemalan people, through honest work. My family and I have been working together. My wife, my children, and I work 24 hours a day. We are always mindful of our country's needs, of what our people need. Many, many times we have not been understood. We have made mistakes. We have failed in some areas, but it has not been deliberately. We may have made mistakes, but we have acted in good faith.

We have a full year ahead to continue working for Guatemala. Those who are trying to discourage, insult, and slander us will not make me lose my faith that we will attain peace in our country. They will not manage to make me and my family stop working the way we have been doing. We will continue working the same way. We know our people deserve a better future. As long as we are leading the government, we will do everything possible to earn respect for our country.

I have frequently discussed with my wife the unjust way in which our country is treated abroad, the image we project abroad, as if Guatemala had a right to have private morals but must be publicly destroyed and internationally ridiculed. We are determined to change that. You have no idea how hard we have fought to change that image and to change the things that help create that image.

Thousands of accusations are made in the country, but very few have any basis. Whenever human rights have been violated in our country, those responsible have been immediately called to justice. That will continue to be our policy. We have dismissed corrupt government officials, who unfortunately have left the country, pretending to be very honest and trying to dishonor my family name. Unfortunately, there are bad Guatemalans who are capable of doing that.

We know how we have acted, and we can say that we have not acquired a single cent through illegal means. We have not stolen a cent from the national treasury. No one can say we have stolen any money or that we have been in any illegal business. That is what courts are for. If anyone has any evidence, he should go to the courts. Instead, before going to the courts, there have been vile and immoral public trials of my reputation and that of my family.

We do not believe we can build a country that way. The country must be built on mutual respect. Today I sincerely ask the entire country, all forces in our country without exception, to unite and become aware that there are people abroad who are trying to close the doors to us and that those doors have in fact been closed. Our country's morals have been privately but not publicly recognized. We must begin to say good things about our country.

A new year has begun. New hopes should emerge in the hearts of all Guatemalans, but those hopes must be closely linked to the things we say and do. If we tell a child he is no good, that he is a bad boy, that child will become those things. We Guatemalans should start revealing the marvelous things we have in our country. We must mention the positive things we can do during this year that is just beginning. We will begin to see pessimism and the idea that things cannot be done well here disappear.

One day I was talking with a group of friends, all Guatemalans except for one woman, who, by the way, is the wife of a deputy of a Central American country. When someone started talking about her country, she said: Look, you better not talk about my country, because in my country we have managed to do this and that, and she continued defending her country. The problem with you Guatemalans, she said, is that you only criticize and see the bad things and live based on the bad things you see. This woman is much younger than I, but I must admit she taught me a great lesson. Why not see the good things, too? Why not bet on the good things we have in our country? We must not allow the bad things to govern our lives. We must be aware of the bad things, but we must seek solutions.

All of us as a family—my wife, my children, and all Guatemalans of goodwill— are willing to begin the new year as a year of reconciliation. We want peace, we want to tell Guatemalan brothers who are in the guerrilla groups that there is no reason to remain in those groups. Where have those groups concentrated their attacks? They have concentrated their attacks abroad, where they say bad things about our country. Why not come here to try to make positive recommendations for our national reconstruction? Why not come here with a new attitude toward the reconciliation of all Guatemalans? I repeat what I have said many times: My arms are open, as a Guatemalan and as president of all Guatemalans, so you can join us and so we can become a great family to rebuild this great nation.

To our brother refugees who are abroad, we also say that we are waiting for you with great hopes. We are sad to see there are people who are trying to manipulate your pain politically, but we will not allow that. Now that you have decided to return, we will not let political groups manipulate you when what you really need is to return to your homes, resettle, and live with dignity.

With great sacrifices we have earmarked dozens of millions of quetzales to improve conditions for all our returning Guatemalan brothers. Guatemalans are making efforts through the honest management of public assets in my government and the efforts of all government institutions.

Our Army continues to deserve my respect and admiration. Let us forge ahead because we have won the struggle to achieve dignity and freedom. We do not think our

country will ever return to dictatorship or totalitarianism. That gives us confidence to move forward.

Friends of the media, I say with absolute sincerity that I am not confronting you. If there have been misunderstandings, they can be settled. There was an editorial by a prominent Guatemalan journalist that I liked very much. It was entitled [words indistinct] a Dialogue To Understand Each Other. I am completely open to such a dialogue, to a respectful dialogue characterized by mutual respect to ensure that the media has the guarantees it should have and that we citizens also have the guarantees we should have.

Some say I have persecuted the media. That is not true. I only ask you, friends of the media, to review the newspapers. I want you to see how often I have been the target of insults and even infamies. There have been articles signed by many. Ask yourself whether anything has happened to all those journalists who have criticized me so much. Do those people not walk the streets in absolute liberty? Do they not continue to write whatever they wish? That is freedom, but we need to learn to handle that freedom to ensure that it does not become something that perhaps for the media is freedom but for me is another prison because they deny me the right to my own morals and a private life.

My wife would not let me lie. How much have we suffered? How much has our family suffered because of this? I think this is the heaviest cross we have had to bear. The price we had to pay was our reputation. We have had to pay with our morals and dignity. Friends, this is unfair. Let us change this. I think Guatemala deserves an effort on our part, yours and ours, to change our course.

To some sectors, to the private sector, I wish to say our country is in a much better situation than the picture you presented in some of your publications. Examine your consciences and think of how much money you have earned thanks to the economic stability my government has promoted. Think of how important the country's development has been, of how much construction is going on. All this, gentlemen, is taking place despite low coffee prices, which is not our responsibility, despite the fact that prices for cotton and other export products have hit bottom.

In truth, I think the policies we have promoted are the correct ones. They are policies the private sector tried to promote at other times. We want to tell them we must face the challenge together; the government and the private sector. Let us forge ahead. Let us conquer new markets. Let us reach agreements in the few existing disagreements in the country. Let us be optimistic. The country needs you.

I wish to say to the country's labor sector that you enjoy all the support granted by law to establish unions. The reforms we made to the Labor Code provided greater guarantees that healthy and strong unions can develop in our country. I only ask that you make good use of the ample freedoms you have gained through your daily struggles to improve living conditions for all Guatemalans.

I wish to say to you that the government of the Republic is ready to reopen the dialogue on minimum salaries this year. We think it appropriate that all benefits stemming from the growth of our economy should also be reflected in the labor sector.

To the country's religious sector, I wish to say we have a great joint responsibility. That responsibility is to ensure that this year we will be able to recover moral values that have been lost or forgotten for a long time in our country. I want to ask you who share the greatest responsibility in this area to help us eradicate so much drugs and pornography, to eliminate so much evil that is entering our country and deteriorating Guatemalans' moral values. The government will do its part. We really want to do something to change the country's image and provide good opportunities for Guatemalan youths.

To all other sectors I want to say that we have begun a struggle to achieve the economic health we currently enjoy. In 1992 we built many roads and classrooms, we considerably increased the number of teachers and health centers, we completed the construction of five hospitals in the countryside. I will expound on this in a report to the nation.

I am very hopeful that I will reach the neediest segments of the country in 1993. In order to achieve that, we will promote the (Fif) to obtain funds to carry out small-scale projects throughout the country. We will continue to fulfill our responsibilities with the municipalities. We will promote (Fonatierra) to give land to so many peasants who want land. We will promote (Fonguavi) to establish a genuine housing policy in the country. The National Fund for Peace and Special Commission for Assistance to Repatriates will be working in the most isolated and neglected rural areas of our country.

I wish to say that more than 1 billion quetzales will be invested in the neediest classes of our country this year. This year, for the first time, we will have international credit to advance those programs. A great part of what has been done and will be done will be funded through resources available to the state. They could be available to the state for a simple reason: We have managed the state honestly. There has been no embezzlement, waste, or theft.

Thus I urge all of you to begin this new year with a resolute thought: Guatemala can be different if we Guatemalans decide to make it different. I want to ask God with all my heart to guide our family, to support us, to not let us falter, to maintain his strong presence among us as always to ensure that we will be able to continue leading this country until we reach the level of liberty, dignity, and above all love among all Guatemalans that we want.

We want a reconciliation of the entire Guatemalan family. That is why my wife and I appear before all Guatemalans with open arms to convey a message of hope and national unity. God bless you. Thank you very much.

Labor Leader: Government Hampering Refugees' Return

PA0701171493 Guatemala City Teleonce Television in Spanish 1800 GMT 5 Jan 93

[Text] Byron Morales, a leader of the Labor and Popular Action Union, UASP, has said the government has not kept the agreements on the refugees' return.

[Begin Morales recording] Unfortunately, a number of problems have arisen as a result of the government's failure to abide by the agreement signed last October, mainly on the plan for the refugees' return. According to the agreement, the refugees' permanent commissions, which are representing the first group that is to return to Guatemala, must draft the return plan. They must establish how, when, and under what conditions the refugees must return. The refugees' permanent commissions have proposed that the return to Guatemala be done through La Mesia on 13 January. They are to enter through the high plateau, arrive in Guatemala City, then go up Alta Verapaz. From there, a second group will enter Alichan [words indistinct]. The government is making a different proposal. It asks that the refugees enter through Peten, through the jungle, to go directly to Alichan. The permanent commission and the mass movement have rejected that proposal. First, the road conditions in that part of the country are not the safest and most favorable. Second, it is a strife-torn area. Another thing we believe to be very important is that the people of Guatemala, chiefly in this whole area of the country through which the refugees will be traveling, must witness the significant event of the return of thousands of Guatemalan brothers. This is in accordance with the proposal by the permanent commission. To date there are two fundamental problems: One is the government's refusal to accept the proposal by the permanent commissions. That situation violates the agreements signed last October. We also have the incidents involving attacks on some Communities of Resistant People near the zone where the returning refugees will be settled. Various government institutions, especially the Army, have asserted that a large number of rebels who have infiltrated the refugees would be arrested upon their return to Guatemala. Frankly speaking, these situations hamper the normal development of this significant event. We are awaiting the decision of the refugees in Mexico, which will be announced through the permanent commissions. [end recording]

Nicaragua

President Chamorro Issues New Decrees

Decree Creates Budget Authority

PA1101190593 Managua Radio Nicaragua Network in Spanish 0247 GMT 11 Jan 93

[Decree No. 2-93 issued by President Violeta Chamorro in Managua on 10 January]

[Text] The president of the Republic of Nicaragua, in exercise of the powers granted by the Constitution,

Whereas:
To guarantee orderly macroeconomic management, as reflected in external accounts and price stability, as well as to streamline the external and internal financing policy of the public sector, the public sector must be able to adequately project itself in accordance with its net use of resources and ensure that this will be consistent with the resources the country has available;

She has issued the following decree creating the Budget Authority for the public sector institutions not included in the central government:

Article 1. The Budget Authority is created for the public sector institutions not included in the central government. Its objective is to regulate the process of formulation, approval, and coordination of the execution, control, and evaluation of the budgets of the autonomous institutions and state enterprises.

Article 2. For the effects of this law, the following classification is established for autonomous institutions and state enterprises:

A. Public nonfinancial enterprises. This includes the Nicaraguan Institute of Energy, INE; the Nicaraguan Waterworks and Sewer System Institute, Inaa; the Nicaraguan Telecommunications and Postal Services Institute, Telcor; the National Corporation of the Public Sector, Cornap; the National Ports Enterprise, Enap, the airport and other state enterprises.

B. Autonomous institutions of services. This includes the Nicaraguan Social Security and Welfare Institute, Inssbi; higher education institutions, municipalities, banking superintendencies, and others formed for nonbusiness objectives, including the institutions falling under them.

C. Public financial institutions. This includes the Bank of Nicaragua, Banic; the National Development Bank, Banades; the Popular Credit Bank; the Nicaraguan Investment Fund, FNI; the Insurance and Reinsurance Institute, Iniser; the Housing Bank of Nicaragua, Bavinic; and other financial institutions, with the exception of the Central Bank of Nicaragua.

Article 3. For all these institutions, the budget authority will be exercised by the Executive Branch through the

Finance Ministry. For the effects of formulating proposals for general policy guidelines, there will be coordination with the Economy and Development Ministry and the Central Bank of Nicaragua.

Article 4. The Finance Ministry will formulate the guidelines for the budget policy of the rest of the public sector not included in the central government, including in the aspects dealing with investments, financing, and salaries. This policy must fall within the framework of the guidelines of the national development plan and economic policy and must be presented to the Presidency for its approval. The budget authority will not have any intervention in the credit and monetary policies of the public financial institutions, but it will have intervention in the area of revenues that must be included in the budgets of these institutions.

Article 5. Each institution will draw up its draft annual budget and will submit it to the Presidency, through the Finance Ministry, for approval. This ministry will analyze and present the appropriate reports to the Presidency. The institutions which constitutionally have authority to approve their budget are exempted.

Article 6. The budgets will include all the resources and expenses for the budget year and must show their various sources and indicate their expenditure lists. As with other institutions which currently submit part of their budget to the public sector, they must include their contribution in the general budget of the nation.

Article 7. No public sector institution that is the object of this decree, with the exception of public financial institutions, can negotiate external or internal financing, either through donations or loans, without the prior authorization of the Budget Authority. This financing must fall within the framework of the general financing policy of the public nonfinancial sector.

Article 8. When guidelines for the public sector's salary and employment policy must be formulated, the Labor Ministry will be given this task.

Article 9. The Finance Ministry, in addition to analyzing and preparing the appropriate reports, will prepare the consolidated public sector budget, which must show fulfillment of the budget policies. All institutions, without exception, must present their annual budget to the Finance Ministry to guarantee compliance with this article.

Article 10. The highest authority of each institution is responsible for fulfilling the objectives and goals contained in their respective budgets as well as the good use and administration of the allocated resources.

Article 11. For the effects of the coordination of methodology, all of the institutions governed by this law are obliged to use the budget system methodology established by the Finance Ministry.

Article 12. The Finance Ministry will control and evaluate the execution of the revenue and expenditure budget of all the institutions governed by this law. It will have the power to issue the necessary regulations, norms, and procedures to implement this task.

Article 13. The budget year of the public sector begins on 1 January and ends on 31 December of each year.

Article 14. At the close of each budget year, the autonomous institutions and state enterprises must submit a report on the annual fulfillment of the budget to the Presidency through the Finance Ministry.

Article 15. This law rescinds all the legal provisions running counter to it.

Article 16. This decree will go into effect as of its publication by any mass media without detriment to its subsequent publication in LA GACETA, the official newspaper.

Issued in Managua on 10 January 1993
[Signed] Violeta Barrios de Chamorro, president of the republic

Decree Benefits Tax Payers

PA1201043593 Managua Radio Nicaragua Network in Spanish 0255 GMT 11 Jan 93

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[Decree No. 3-93 issued by President Violeta Chamorro in Managua on 10 January 1993]

[Text] Whereas it is necessary to regulate tax payments to consolidate the progress and economic stability that have been secured and to continue making headway in setting the basis for the country's economic and social development, the president of Nicaragua, making use of the authority the Constitution grants her, has dictated the following:

Regulations On Tax Obligations Decree
Article 1. Taxpayers who pay their overdue taxes within the next 30 days, as of today, may pay these obligations without having to pay any kind of penalty or fine.

Article 2. Taxpayers who fail to pay their overdue taxes during the period established in Article 1 of this decree will be penalized with a fine equivalent to 25 percent of their overdue tax bills, in addition to other penalties established by tax laws.

Article 3. The Finance Ministry will issue the necessary norms for the implementation of this decree.

Article 4. This decree will go into effect as soon as it is made public, regardless of its publication at a later date in the Official Daily Gazette.

[Issued] Managua, Presidential House, 10 January 1993
[Signed] Violeta Barrios de Chamorro, President of Nicaragua

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Decree Eliminates Tax Exemptions

PA1201163793 Managua Radio Nicaragua Network in Spanish 0255 GMT 11 Jan 93

[Decree No. 4-93 issued by President Violeta Chamorro in Managua on 10 January 1993]

[Text] The president of the Republic of Nicaragua, decrees:

1. That within the framework of the ongoing economic reforms, taxes must be neutral and equitable, and thus, special exemptions, which adversely affect the efficient use of resources available to state institutions and companies, must be eliminated.

2. That the current system of exemptions that were granted to organizations, companies, associations, or institutions of any nature adversely affect the economic stabilization plan because the implicit subsidy granted by such exemptions distort purchase decisions in favor of imported goods and services. This penalizes the national industry, while decreasing public sector revenues.

3. That this practice also creates an artificial cost advantage for public companies in detriment of current or potential private competitors. This is not in keeping with a market economy destined to become the engine of development in the private sector.

4. That it is necessary to promote the rationalization of public expenditures and improve administrative efficiency in the use of state resources by eliminating those tax subsidies that distort real cost and prices of public goods and services.

Thus, exercising the authority granted her by the political Constitution, she has issued the following decree eliminating tax exemptions:

Article 1: Eliminate exemptions on import duties, selective consumption taxes, official stamp tax, and General Value Tax enjoyed by the state and its institutions, autonomous institutions, municipalities, corporations and companies, civil or commercial societies, and civilian associations, which were granted to them by regular tax legislation, their charter laws, basic laws, or any other legal provision.

Article 2: This decree will be in force on the date of its publication in the official LA GACETA newspaper.

[Issued] Managua, 10 January 1993.
[Signed] Violeta Chamorro, president of the Republic of Nicaragua

Decree on Exchange Profits, Losses

PA1201164293 Managua Radio Nicaragua Network in Spanish 0302 GMT 11 Jan 93

[Decree 5-93 issued by President Violeta Chamorro in Managua on 10 January 1993]

[Text] The President of the Republic of Nicaragua, decrees:

1. It is necessary to decide on the fiscal treatment to be given to the earnings or losses derived from the changes in the rates of exchange between the cordoba and the U.S. dollar and that financial statements show the value of the assets and liabilities of enterprises.

2. It is necessary to provide financial protection to the interests of the State and particular persons and that taxes are paid properly and timely.

In accordance with the authority granted her by the political Constitution, she has issued the following decree for fiscal treatment for exchange rate profits or losses.

Article 1: The monetary profits or losses will be considered as extraordinary profits or losses and are therefore subject to the income tax at the time of the tax statement or payment thereof.

Article 2: The Finance Ministry will issue the norms necessary for the application of this decree.

Article 3: This decree will be in force on the date of its publication by any media without being affected by its later publication in the official newspaper LA GACETA.

[Issued] Managua, Presidency House, 10 January 1993
[Signed] Violeta Barrios de Chamorro, president of the Republic of Nicaragua

Central Bank Devaluates Cordoba

PA1201043093 Managua Radio Nicaragua Network in Spanish 0314 GMT 11 Jan 93

[Text of the minutes of the third meeting of the Central Bank of Nicaragua Board of Directors, issued in Managua on 10 January]

[Text] In Managua at 1400 on 10 January 1993, the members of the Board of Directors of the Central Bank of Nicaragua [BCN]: Jose Evenor Taboada Arana, president of the BCN; Finance Minister Emilio Pereira Alegria, and Alberto Chamorro met in an extraordinary session, which was presided over by Jose Evenor Taboada Arana and recorded by Secretary Leon Nunez Ruiz.

The BCN Board of Directors, at the request of the president, unanimously resolves:
1. The foreign exchange for the cordoba with regard to the U.S. dollar is hereby set at six cordobas per U.S. dollar.

2. Starting on 11 January 1993, said official exchange rate shall be adjusted daily, according to a sliding rate of up to a yearly total of 5 percent. The BCN shall publish, on the 10th day of each month at the latest, the daily exchange rate in effect as of the 11th day of the current

month until the 10th day of the following month. The first of said publications will be done through the publication of this resolution.

As there was no further business to discuss, the meeting was adjourned at 1500 on the same date.

Assembly To Comply With Supreme Court Ruling

PA1001162593 Managua Radio Nicaragua Network in Spanish 1523 GMT 10 Jan 93

[Resolution issued by the National Assembly Directorate at the opening of the ninth legislative session in Managua; read by Assembly First Secretary Francisco Jose Duarte—live]

[Text] Resolution: The Directorate of the National Assembly, in keeping with a request by her most excellent president of the Republic to comply with Ruling No. 171 handed down by the Supreme Court of Justice, and exercising its power, agrees to:

Sole article: Comply with all the legal requirements of Ruling No. 171 handed down by the most excellent Supreme Court of Justice in response to an amparo filed by Drs. Sergio Ramirez Mercado and Gustavo Tablada Zelaya regarding the developments that transpired during the 2 September 1992 session.

Issued in Managua at 0900 on 10 January 1993.
[Signed] Gustavo Tablada Zelaya, president
Francisco Jose Duarte, secretary.

Occupied Radio Station Now Under UNAG Control

PA0901194493 Managua Radio Nicaragua Network in Spanish 1100 GMT 9 Jan 93

[Report by Manuel Alvarez Calero from Carazo]

[Text] A group of Sandinist followers, who took over Radio Libertad's facilities over a month ago, walked out of the station after Jinotepe Municipal Mayor Aurelina de Roman announced that the station would be handed over to Carazo Department journalists.

Once the Sandinists left the station, it was immediately taken over by Carazo Department farmers and cattle ranchers affiliated to the National Union of Farmers and Cattlemen, UNAG. A few days ago the UNAG filed a property recovery suit against the mayor's office because they claim the radio station is located in a building owned by the UNAG. According to Radio Nicaragua investigations, the UNAG building, which also houses the Labor Ministry, was handed over to UNAG President David Nunez. The property deed was issued in Nunez' name.

The mayor's office is willing to give journalists a new location and install the radio station in the Ecodefa [expansion unknown] building or at the Jinotepa bicycle assembly plant.

At this moment, the radio station has been taken over by UNAG and the only option, according to the mayor's office, is to move the studios to another building.

Presidency Minister Discusses Economy

PA1201004193 Managua Radio and Television Networks in Spanish 0025 GMT 11 Jan 93

[Opening statement by Presidency Minister Antonio Lacayo at a news conference with members of the Economic Cabinet at the Presidency Public Relations and Official Information Directorate in Managua—live]

[Text] Good evening, Nicaraguan brothers of the countryside and the city, workers, laborers, peasants, Nicaraguan working women, housewives, professionals, businessmen, technicians, producers, merchants, friends of the local and international press: When the economic cabinet of the government of Dona Violeta de Chamorro met for the first time with all the countries friendly with Nicaragua and with authorities of the World Bank, the Inter-American Development Bank, the IMF, in the first meeting of the consultative group in December 1990, we asked all of these friendly countries to help us promote our economic program to end hyperinflation, weekly devaluations, and the plight that was asphyxiating us.

I remember clearly that they all said they were willing to help us, but they first wanted to see our economic program implemented, not in writing or in diagrams. They said they were in favor of the program if the Nicaraguan Government showed it was determined to set firmly in motion an economic program to end the aggression, forging of counterfeit bills, and the dirty water [agua sucia] we spoke of so much two years ago. We explained our plans, but they did not want to see the plans. They wanted to see action, determination, firmness, and courage on the part of the government. They wanted to see the plan put in action. They wanted to see the government speaking clearly to the people about the efforts and sacrifices that had to be made to cure the hyperinflation that gripped us. They wanted to see the Nicaraguan people alongside the government, responding responsibly to the economic measures.

That is why, only three months later, on 3 March, a Sunday like today, we all appeared before you to explain the government's economic program, with all its components and details. On that day we announced the big devaluation of the gold cordoba from one to five [numbers as received]. We announced the value of the new cordoba equivalent to 5 million old cordobas. We announced the old cordobas would be replaced with new ones, as well as other measures. We said many months would pass before we had another devaluation. Many people did not believe this. There were many nonbelievers. Many merchants increased their prices fivefold, but reduced them a few days or weeks later because they could not sell anything. For their part, many workers demanded an increase in their wages and went on strike.

They finally agreed to smaller wage increases because the companies could not meet such demands based on the national budget. The government authorities clearly stated there would not be any devaluations for many months. The people gradually believed us.

That 3 March 1992 was the beginning of the first phase of our economic program designed to eliminate inflation and achieve the stabilization of prices. We all know what happened. Since then, 679 days, that is 97 weeks, or 22 months and one week have transpired and we have not touched the exchange rate again. We got used to the five to one ratio and went around on Sundays without fear of another devaluation. In 1992 inflation did not exceed 4 percent, which is the lowest in all Latin America.

We managed, in fact, to defeat inflation. That was a merit to all of us, of you and the government, of the producers and workers, of the countryside workers and housewives, of the merchants and laborers, of the peasants, students, and professionals. Shortly after implementing the first phase of the economic program, we managed to defeat inflation. This caused a strong impression on the international community. That is why they helped us. They saw the plan was a reality and told us here in Managua on 3 December they would continue to support us. The result of this process was the elimination of inflation.

When one compares the results of our stabilization plan with results obtained by similar plans in other parts of the world, one realizes the Nicaraguan plan has been one of the most successful worldwide. In fact, since World War II to the present, Nicaragua has been the only country that has managed to curb the spiraling hyperinflation we had and reduce inflation to a single figure—4 percent, less than 10—which we achieved in 1992.

As if this were not enough, and as opposed to many other plans, we did not experience an economic recession during these 22 months. Instead, we averted a drop in the gross domestic product, that is of the economy, which had occurred for almost eight years since 1984. In this way, while we kept inflation down in 1992, for the first time in eight years we managed to achieve an economic growth of approximately one-half percent or 1 percent. We will wait for the final figures at the end of the year. We finally experienced economic growth.

In addition to defeating inflation, Nicaragua's production grew in 1992. When this growth is compared with eight continuous years of production declines, this achievement is obviously more commendable and unexpected. The economic plan, however, has had flaws we do not like, and you do not like either. First, we began to notice high unemployment. We all know unemployment was already high when we started the plan. The end of the war, the disbandment of the Nicaraguan Resistance, the reduction of the Army, and the return of refugees living in Costa Rica and Honduras increased the ranks of the unemployed. The cuts we had to make in the ministries further increased unemployment. We know now that one out of every two Nicaraguans is either underemployed or unemployed, something we obviously do not like. We also noticed a high consumption of luxury goods and many imported products, which compete with local producers. This limits markets for local products and also results in the high expenditure of foreign exchange for the Central Bank.

The international community has not enjoyed these negative effects either, and told us so on 5 December. We know the people do not like them either because nobody likes being unemployed or having at home a friend or a brother who is unable to find a job. That is why since last October the government announced a special consultation process and assessment of the progress and difficulties of the stabilization plan. At home, we held meetings with Nicaragua's major political, social, economic, and religious organizations. We held meetings with National Opposition Union parties, the Sandinist National Liberation Front, Cosep [Higher Council of Private Enterprise], UNAG [National Union of Farmers and Cattlemen], and FNT [National Workers Front]. The General Confederation of Labor, however, did not attend. We held meetings with trade groups and all the representatives from those organizations of our society that wanted to contribute their comments and opinions on the achievements attained and the difficulties.

Outside the country, we held meetings with representatives of the international community that, as we all know, have been supportive in a decisive, substantial, and generous manner of our efforts to rebuild our economy. We held meetings with representatives of countries and agencies of the donor community in Managua, with UN representatives, and financial institutions such as the IMF, World Bank, the Inter-American Development Bank, and the Central American Bank of Economic Integration. Consultations abroad culminated in the meeting of the donor community, held in Managua on 2 and 3 December. As a democratic government, the purpose of this consultation was to become familiar with the largest number of opinions of representatives from broad sectors at home and abroad that reflect the thinking and sentiments of Nicaraguans, as well as the thinking and sentiments of our friends in the international community. The consultation process confirmed unemployment is the number one problem of our economy and country. Prices have stabilized, but there is no growth. Since production is not rising, there are no new job sources. Unemployment and underemployment constitutes one of the chief causes of our social problems, which adds to the cost of the war in terms of maimed and handicapped people. This means we are a country with a serious social problem, in addition to being the poorest country in Latin America.

This is the legacy of the war we must all face together as a nation. We must face the future in the face of this harsh reality. Having secured success on stabilization, we must start as soon as possible a new phase in our process of economic reconstruction. txt
The stabilization phase successfully met its objective.

Without losing stabilization, we must start as soon as possible a new model of economic growth that enables us to create new production jobs, raise production, and meet immediately and efficiently the enormous social problems our nation is facing. The solution to our poverty lies in generating wealth. Wealth is generated with jobs, not by asking for more from those who already give us extraordinary aid.

Macroeconomic figures indicate Nicaragua now spends a third more than it produces. It is not only unadvisable for this situation to continue, but it can only continue if we have friends in the international community who wish to help us, as the Nordic countries, Spain, the Netherlands, the United States, Italy, Japan, Taiwan, Germany, Canada, France, Austria, Venezuela, Mexico, Colombia, Switzerland, Korea, the United Nations, and the many other countries that have been helping us in a very special manner. [sentence as heard] Out of every dollar imported in our economy, 60 cents comes from foreign aid funds, grants, and soft loans. We obtain approximately 60 percent of everything we import—oil, medicine, food, nonperishable consumption goods, raw materials, etc.—thanks to foreign aid. For those who naively ask where the foreign aid goes, it is in the electricity that lights our houses, the food we eat every day, the medicine for the sick, loans for production, and gasoline for cars. I must say clearly this foreign aid has been well spent. The international community has told us so. If Nicaraguans were not using the foreign aid properly, we would not receive any more foreign aid.

The consultations we made at home and with our friends abroad, however, showed us international aid could be used even better by taking care of the priorities that you through trade groups, political parties, the cabinet, and unions have pointed out to us. That means, earmarking that foreign aid for the creation of more jobs, production, and economic growth. That is why we must decide to continue spending foreign aid on consumption goods, and some [words indistinct], or do we invest and create more production jobs. There are no other choices. We cannot go on living beyond our means. If we want growth, we must invest the funds we obtain from foreign aid. We cannot go on consuming them.

In the past two years, our imports—that is, what comes from abroad—have risen by over $200 million. A large part of that was spent on consumption goods or raw materials for domestic consumption. Perhaps we could justify this at the beginning because we had to restock inventories. Let us remember how we were when President Chamorro took office. There was almost nothing. Now things are different, but we cannot go on spending and must think seriously about the need for investment.

This is why on this day, 10 January, as Mrs. Violeta Chamorro said in her morning annual message before the National Assembly, we will enter the second phase of our economic program; we will enter the growth phase. This is what Cosep businessmen, FNT members, UNAG producers, and political parties from both sides wanted. This is also what the international community wanted when we met with representatives from 2 to 3 December.

We will enter a phase that will allow us to rebuild our economy and create more production jobs for the great mass of unemployed. Those who are employed should feel fortunate We must pay attention to those who are unemployed.

Obviously, this new phase of our economic program, this second phase, cannot be supported only by our small domestic market. Our economy is small and open to the international market. To grow we must take advantage of the immense international market that is open to us.

We should take advantage of the enormous resources of our country: First, the work capability of our population, especially the unemployed. Second, the valuable natural resources God gave us, including fertile land, forests that could be exploited rationally, mines, oceans, and the beautiful places that have enormous potential for tourism purposes. Third, the entrepreneurial ability of our entire private sector, our cooperatives, and all our small producers. Fourth, the aid given to us by the international community. We should channel this aid to activities related to production goods rather than consumption goods. Thus, we have to take advantage of this immense international market by producing and exporting more. That is the key to success in this second phase of our economic program: Exports. Exports must now be the locomotive of growth. We mustlink the other cars of production to this locomotive. We must strengthen this locomotive to ensure it pulls move and moves faster. In other words, we must ensure we have more production and grow faster.

To be able to export to international markets we must, obviously, be more competitive and efficient. This is why we must once and for all establish the bases of how to reap the maximum benefits of the items that show more potential in foreign markets and ensure they become profitable. This is the new government target: Products that could gain access to international markets without neglecting their domestic production, of course. Only by exporting more and by gaining access to international markets will we start to reduce the great dependency we currently have on foreign cooperation. Only then will we have a right to increase consumption.

To promote this new growth model, we obviously need to take firm measures in the monetary, lending, fiscal, and exchange fields. The government is ready to take those measures now, with the same decisiveness, strength, and determination with which we took the measures on 3 March 1991. We are firmly convinced these measures best satisfy the proposals the consulted sectors made to us. We thank God the stabilization in its first phase had the success we all know, as that allows us to implement these new measures. We are certain we will succeed in producing and growing, as we succeeded in stabilizing prices.

In other words, we are certain these measures will put us on the track of growth. You, small-, medium- and large-scale businessmen, new businessmen, and old businessmen must obviously build the new sources of production and jobs. You, workers, can now help your unemployed brothers by allowing our economy to grow by working harder and being more productive. We will all begin this long journey toward welfare and wealth to leave behind once and for all our country's extreme poverty. This is what all of us want. That is why we must work hard, the young and old, companies and workers, members of all the parties, contras and former soldiers, government and private sector, rich and poor, in sum, all of us who are sheltered by the blue sky of this Nicaraguan fatherland.

We must realize nobody will do anything for us abroad, and that together, hand in hand as brothers, we must move Nicaragua ahead in this new phase of our economic program. I will explain briefly what this new phase of the economic program means. Afterward, each one of the ministers accompanying me now can answer your questions regarding the different phases and details of the plan so you can better understand this explanation. On fiscal matters, we first have the obligation to lower national spending. The government will give the example in this sense. That is why the package of fiscal measures begins with the elimination of all fiscal extensions starting now in all of the government's offices, ministries, autonomous entities, state enterprises, etc. Starting now, the entire government will have to pay taxes for the goods it purchases. These taxes must be paid from their own budgets. The budget will be not be raised to pay these taxes. Each ministry, autonomous entity, state enterprise that had been granted exemption will have to lower and plan its expenses to be able to pay its taxes.

Furthermore, we want to make it clear that Nicaragua cannot continue with the current cycle of importation of luxury products. While there is extreme poverty among a large part of our population, we cannot continue to incite the importation of this type of goods. We cannot allow excessive spending and consumption, while credits are needed for reconstruction. Thus, the package of fiscal measures is also aimed at increasing some of the taxes on imported goods, mainly those the people call luxury items, to reduce the demand for assets and redirect these assets to financing imports for production and to provide more credit for producers. We must again become a country of producers and exporters.

If we spend less in the government and if we import less luxury items, because they will have taxes, which the finance minister will explain later, there will obviously be more money and assets for production and this will benefit us all.

Even so, this is not enough, and through the exchange policy we must ensure that these savings are used for investments. In Nicaragua there is enough evidence to point out that the cordoba is overvalued. This is a serious problem that we must correct so that our exports will again be more profitable and so we can increase our international competitiveness. A cheap dollar stimulates imports and discourages the export of the goods we produce. In this manner, in addition to reducing government spending, we are going to rationalize the use of foreign currency, through the exchange rate.

The fixed exchange rate that played a key role in domestic price stabilization must now play a new key role in promoting production growth. We are going to have a type of exchange that will somewhat increase the cost of imported goods so that our local producers.... [pauses] those who make tomato sauce, shoemakers; in other words, so that those who sell their products through their small enterprises or small industries for domestic consumption will be able to compete better. Since they will have greater production volume, these producers will be able to hire more workers, increase their activities, and strengthen the national economy.

We are going to have a type of exchange that will also make our exports more profitable so that coffee growers, cattle ranchers, sesame seed producers, fishermen, peanut exporters, nontraditional product exporters, industrial goods exporters, and even artists will be able to generate more cordobas through exports. This way they can increase their volume of production and generate, in turn, more employment.

For this exchange rate to be effective, it must be real. It must reduce the overvaluation of the cordoba so that it can effectively increase our products' competitiveness. This must be done in a very scientific and technical manner, as it is part of an entire model of macroeconomically balanced growth. The goal of this measure is to improve the real rate of exchange. This is achieved when the difference in the nominal exchange rate is higher than the increase of domestic prices that result from the monetary adjustment.

If we manage to improve the real rate of exchange, if producers and merchants do not try to corrupt everything, to pad everything like they tried in March; if the workers do not try to pad their salaries, as they too tried in March; if we all make that effort to enter this new stage of growth, then our rate of exchange will obviously show real improvement. This, combined with the availability of greater volume of credit for short- and long-term production, will stimulate investment and an increase of production levels that, in turn, will undoubtedly increase employment.

Once we have gained this improvement in the real rate of exchange, we cannot lose it. All of us—government, producers, merchants, workers, labor unions—as of the moment we implement these measures, must refrain from speculation.

This is why, as of 12 January, we ministers will be meeting with various groups throughout the country—entrepreneurs, labor unions, the main labor unions—to explain in detail the logic of these measures so that

together we will be able to make an effort to move Nicaragua ahead. The scientific logic of the model is correct, the Sierra Model, as macroeconomists call it.

The decrees that back the launching of these measures and explain in detail the new regulated prices are ready and will be published immediately. What we must not do, no matter what happens, is inflate prices. We must disinflate our economy. Those who try to increase prices to the same level as the adjustment will be saying they are against the measures and will demonstrate that they do not want Nicaragua to grow. This is why consumers must play a very important role here, as they did before, by making sure the merchants do not cheat them by raising prices indiscriminately.

These adjustment will kick off the macroeconomic calculations. This adjustment will make our exports more profitable and our internal production more competitive. This adjustment is compatible with the inflation goals we have set for the phase that begins today. It is a very modest 20 percent adjustment. In other words, now our economy will be governed based on a six to one exchange rate which, by the way, is considerably lower than what many businessmen were announcing. It is also considerably lower than what some extremists were predicting. Some people will always seek to cause alarm in order to take advantage of the circumstances.

It is important to recognize that the exchange rate adjustment will have some sort of effect on prices. Even if prices are not padded, they will go up to some extent. Some prices will go up considerably, such as fuel prices, because they are largely imported products. Prices on some items will go up relatively little, because a large portion of their price is labor cost. Some items will have intermediate price hikes.

Obviously, the sacrifices we must all contribute to this are important. Just as there are times when governments prefer to make larger adjustments to give workers a wage increase, while they pick up the difference to make imports more profitable, in our case we have chosen a smaller adjustment, because there will be no wage increases. We have to work with the budget we have and we are not going to increase the people's normal income tax rates. In other words, this is not 3 March. The only thing that will go up is the exchange rate and reserves.

The price of everything we produce locally, everything that requires some degree of labor, will not go up significantly; the higher the degree of labor, the less the price should go up, because our labor costs should not go up. If they do go up—and this must be made very clear—those who work and receive a paycheck will be hurting the unemployed, whom these measures are supposed to benefit. This was the main concern of the labor unions, the business associations, the political parties, and the international community. We must move on to a new phase, a second phase. We must change our course to direct our economic efforts toward employment, growth, and opportunity for those who have none; not stabilization, but jobs.

We are also going to make sure that this is the last big adjustment. We are going to operate from now on based on a system that the Central Bank president will explain in detail. This system consists of letting our currency slide [deslizar]. Look at what is happening: Our exchange rate never changed during 1992, when we had an inflation rate a bit under 4 percent. This means that for our products not to lose their competitiveness in the international market we must make a 4 percent adjustment in our exchange rate.

After prices go up somewhat as a result of this adjustment, we expect prices to stabilize and to have in 1993, just like in 1992, an inflation rate of between 4 and 5 percent.

To avoid having to make a 5 percent adjustment at the end of 1993, we are going to be making adjustments every day, imperceptibly. So if you ask me when the next devaluation will take place, I would say tomorrow. We are going to make adjustments the way they are made in Mexico and in other countries where stabilization has been secured.

We are going to let our currency slide approximately 5 percent, so if [words indistinct] by the end of the year. We are going to slide every day at a pace no one will notice because it will be one cent every 10 or 12 days; it will be a fraction of a cent every day. So we are not going to have to be watching to determine when the next devaluation will take place. We will not have the kind of problems we had at the end of December when businessmen did not want to sell their goods after newspapers ran some big headlines. We are going to be use a sliding program like the one that exists in Mexico and other countries where this problem has been solved.

The measures to reduce spending and to increase public revenue by improving the collection of taxes that will result from the exchange adjustment program have three objectives. The first is to increase the availability of credits for the production sector. I will be brief on this because it will be explained in detail later on. I can announce today that in 1993 the available long-term funds will amount to approximately 982 million cordobas. If we compare this figure with the 1992 long-term credit figures, which amounted to 432 million cordobas, we find that the 1992 figure has been more than doubled.

So you can see how this adjustment program represents the doubling of long-term credits—more than double. Obviously, once these credits are invested by producers, employment will increase and growth and [words indistinct] will be generated either in traditional products or in new products.

At the same time, to sustain current production levels, the plan includes short-term credits for 1993. These

credits amount to 2.32 billion cordobas. The 1992 short-term credits amounted to 2.138 billion. So we will have an 8 or 9 percent increase. Short-term credits will increase by 9 percent and long-term credits will be doubled.

The savings plans and the adjustment program will allow us to promote [words indistinct] the public investments plan, which in 1993 will amount to approximately 1.4 billion cordobas, which obviously will have a positive and healthy impact on our ability to create employment.

This program is basically aimed at economic and social infrastructure projects to be undertaken by different government entities, including the Construction and Transportation Ministry, Agriculture and Livestock Ministry, the Nicaraguan Natural Resources and Environment Institute, the Nicaraguan Institute of Energy, the Nicaraguan Aqueducts and Sewage Institute, the Nicaraguan Telecommunications and Postal Services Institute, the Emergency Fund for Social Investments, the National Institute for Agrarian Reform, the Economy and Development Ministry with the Free Zone, and other ministries, autonomous entities, and institutions. They will all be participating in an ambitious public investment program that, as I said, will amount to approximately 1.4 billion cordobas, which is more than we carried out in 1992. This will also have a positive effect on employment.

The adjustment and the measures will help us, as our president said on the morning of 10 January in her message to the National Assembly, to promote a reactivation—and I am now reading part of her speech—that may tie economic growth to the democratization of opportunity. This year we will reactivate solidarity, not just a growth process that we can call reactivation, but a process of reactivation in solidarity with the poor, the unemployed, those who suffered the effects of the drought, the elderly, children, and especially, as I said, with the unemployed.

President Chamorro said our success in eliminating inflation allows us to go into this second stage of the economic program. We intend to attain this economic growth without losing economic stability, and at the same time to generate support for these groups, which have been demanding it in many ways.

We will carry out this reactivation of solidarity in close coordination with the community, as our president said on the morning of 10 January, so that together, hand in hand, the central government and the communities will form a common front against critical poverty. We will draft a social agenda inspired by the people's main needs; a social agenda drafted in each municipality and neighborhood with the participation of the community leaders, mayors, associations, and churches; a social agenda that may bring together the problems and hopes of the people, who know their own needs better than anyone else.

Parallel to that, we will promote—this is important—a special program, different from the IFE [expansion unknown], of fast, emergency employment in the country, in the main cities and in faraway municipalities. This program will consist of integrating a large number of Nicaraguans to community labor brigades, which will allow us to provide immediately a fast and agile response to the unemployment problem. This program is meant to support those Nicaraguans who need a job, no matter how small. We are obviously referring to the most needy among the population, those who deserve a friendly hand, who wish to attain a modest income through their honest work so they can survive the crisis in which we are living.

This will be achieved through these community brigades, which will work with picks and shovels, mops and booms, and who with basic work tools will be able to contribute immediately to municipal reconstruction, city cleanup, latrine construction, road repair, and any other tasks that the community may consider necessary. In the short term, this program will generate over 20,000 jobs, which undoubtedly will have a favorable impact on those areas that are very much in need.

While we build new sources of permanent employment with this new emergency employment program—which the social action minister will later explain further—through the municipalities of Nicaragua, and with the participation of the civic committees of the people, the church, and the labor unions, we are going to offer employment opportunities with basic salaries. Many groups had been asking for an opportunity to work just for food. Now they will be paid a small salary that will allow them to purchase food wherever they want. Thus this money will be left in the community, producing wellbeing.

Obviously, the employment program we are trying to implement immediately is different from the one to be generated by public investments of the 1.4 billion cordobas I spoke of earlier. We do not want to make too many estimates on this, but we estimate this will benefit approximately 30,000 to 32,000 Nicaraguans. We are not referring to the employment generated by the main source of production financing, the [word indistinct]. This will be estimated once the credits are moving, as this will depend on which credits are requested by the productive sectors. We must be very clear that the logic of the entire plan [words indistinct].

I want to summarize by saying that the tax increases on consumer goods will reduce the demand for imports. The government's tax payments will also reduce imports. The exchange rate adjustment will also reduce imports. In other words, this system will increase the availability of foreign currency that will be directed to export products, mainly agricultural and agroindustrial products, which will expand activities in those domestic sectors. There

will be more loans, more security in the public investment program, and we will be guaranteeing our solidarity program to defend the groups that are seriously affected.

As you will have observed throughout my explanation, which I would have preferred to have made more brief, we are proposing a grand alliance, a great commitment with the unemployed. All of us who are employed are going to express solidarity with the unemployed, who are our brethren, sons of the same motherland, who have the same rights as those of us who today are employed, and who deserve this opportunity.

I want to repeat that this is what the various groups we consulted asked us. This is what was asked by the businessmen of Cosep, the workers of the FNT, the political parties, the Sandinist Front, the National Opposition Union parties who attended the meetings, the churches, and this is what the international community requested. The international community wants to see this second phase of the economic program implemented; it wants to see this second phase operating. The international community wants to see the people working together with its government, defending this program, in order to help the people in this second phase with the same determination, with the same firmness, with the same generosity as the first phase.

We cannot wait any more. That is why today, when we begin the third year of our president's constitutional term of office, we are going to start working on this. If getting rid of inflation took us nearly two years, then we are clear that this stage of growth will definitely take us over two years. We are sure that in two years we will have a different Nicaragua. Just like Violeta Chamorro invited the National Assembly representatives to join this effort to defeat extreme poverty, we—the ministers of the cabinet, and following our presidents' orders—invite all of you to join this new effort to defeat unemployment, to ensure growth, to defeat extreme poverty.

Only through the efforts and the sacrifice of all—businessmen, entrepreneurs, workers, the political parties, churches, men and women of the press, housewives, and absolutely everyone—will we be able to move ahead. Nicaragua belongs to all of us. Now that we live in peace, reconstruction, and reconciliation, together we will be able to move it forward. Thank you very much.

* Price Increases for Market Basket Detailed

93CA0028A Managua EL SEMANARIO in Spanish 22-29 Oct 92 pp 13-14

[Article by Fabian Medina: "Screaming Blue Murder"]

[Text] The bad news arrived on 30 September. When Violeta Chamorro read Decree No. 52-92, almost five months had passed since the U.S. Government's decision to withhold $104 million from Nicaragua pending "democratic changes."

On that afternoon, the doubt that had been gnawing at us—where are they going to find the money to replace the amount that will stop arriving?—began to fade away.

By means of Decree No. 52-92, the Presidency of the Republic has increased the sales tax (IGV) and extended it to cover many goods and services that had not been taxable before.

Cost of Working Class Basket of 53 Products (8-14 October 1992)

			Price in cordobas	
Group/product	**Unit**	**Quantity**	**Unit**	**Total**
A. Food				
Staples:				
1. Rice	lb	18	1.72	30.94
2. Beans	lb	18	1.15	20.62
3. Sugar	lb	24	1.46	34.97
4. Oil	liter	3	6.31	18.92
5. Salt	lb	2	0.40	0.81
Meat:				
6. Beef	lb	4	8.08	32.31
7. Chicken	lb	3	5.90	17.70
8. Leg of pork	lb	2	9.16	18.31
9. Fish cutlet	lb	3	5.17	15.51
Milk and eggs:				
10. Fluid milk	liter	20	1.96	39.25
11. Whole milk	grams	4	12.04	48.18
12. Eggs	dozen	3	5.54	16.23

Cost of Working Class Basket of 53 Products (8-14 October 1992) (Continued)

			Price in cordobas	
Group/product	Unit	Quantity	Unit	Total
13. Hard cheese	lb	4	6.85	27.41
Perishables:				
14. Tomatoes	dozen	5	6.45	32.23
15. Onions	dozen	2	4.44	8.88
16. Cabbage	each	2	4.09	8.17
17. Potatoes	lb	5	1.13	5.64
18. Ripe bananas	dozen	4	3.52	12.31
19. Green plantains	each	8	0.94	7.53
Cereals:				
20. Tortilla	each	100	0.37	36.96
21. Bread	each	21	3.41	71.51
22. Pinolillo	lb	5	2.99	14.94
23. Ground coffee	lb	3	5.82	17.47
Household items:				
24. Hand soap	each	6	1.61	9.68
25. Detergent	package	2	0.78	1.55
26. Toothpaste	each	1	5.09	5.09
27. Matches	box	6	0.49	2.91
28. Broom	each	1	8.95	8.95
29. Toilet paper	roll	3	1.51	4.53
30. Bath soap	each	3	3.00	9.00
31. Sanitary napkins	package	1	3.35	3.35
32. Butane gas	25 lb	1	23.00	23.00
33. Electricity	kWh	100	0.35	34.93
34. Water	cubic meter	5,292	0.0017	9.19
35. Rent	cordobas	1	0.00	0.00
36. Transportation	trip	180	0.45	81.00
37. Deodorant	each	1	6.57	6.57
38. Toothbrush	each	0.33	2.54	0.84
Clothing:				
Adult male				
39. Trousers	pair	0.16	35.53	5.69
40. Shirt	each	0.16	29.61	4.74
41. Undershorts	pair	0.33	5.52	1.82
42. Socks	pair	0.16	5.52	0.88
43. Shoes	pair	0.16	99.67	15.95
Adult female				
44. Blouse	each	0.16	29.09	4.65
45. Slacks	pair	0.16	35.53	5.69
46. Dress	each	0.16	64.40	10.30
47. Panties	pair	0.33	5.95	1.97
48. Brassiere	each	0.16	10.85	1.74
49. Shoes	pair	0.16	60.17	9.63

Cost of Working Class Basket of 53 Products (8-14 October 1992) (Continued)

			Price in cordobas	
Group/product	Unit	Quantity	Unit	Total
Children over 7 years of age:				
50. Complete suit	each	0.16	53.49	8.56
51. Pants	pair	0.33	5.67	1.87
52. Socks	pair	0.16	5.47	0.88
53. Shoes	pair	0.16	51.77	8.28
Total cost of basket				820.43

Source: FIDEG

Everything Went up!

Many people did not realize the significance of those measures until they encountered a general price increase at the market. Even though Minister of Finance Emilio Pereira rejected the idea of a rise in prices, saying that "demand will not rise," reality has shown that the cost of the basic basket did indeed rise at the market. According to the FIDEG [International Foundation for Overall Economic Development], the cost of the basic basket rose from 783.42 cordobas at the end of September to 823.95 cordobas by the first week of October, then dropped slightly in the second week to 820.43 cordobas.

Minister Pereira said at the time that the new taxes were being imposed "in a situational context" in the hope that they would bring in 25 million cordobas.

While the measures caused resentment, the reason was not the money that the government hopes to collect but the places where it intends to get that money. Taxes were imposed on 35 of the 53 products in the basic basket, medicine, newspapers, books, and, for the first time in Nicaragua, private education.

Social Discontent

Brothers Theodulo and Julio Francisco Baez showed the government eight alternatives to the IGV. One of them included a method by which the tax authorities could collect 36 million cordobas a month by taxing luxury items such as soft drinks, rum, beer, and cigarettes (see the table).

How To Collect 36 Million Cordobas Monthly

Product	Proposal	National monthly production	Net collection
Soft drinks and beer	Increase tax 1 cordoba per bottle	27 million bottles	27 million cordobas
Cigarettes	Increase tax 1 cordoba per pack	7.6 million packs	7.6 million cordobas
Rum	Increase tax 3 cordobas per liter	530,000 liters	1.6 million cordobas

Tax law experts Theodulo and Julio Francisco Baez are suggesting eight alternatives for increasing the IGV. The above is one of them.

They also say it is not sensible to impose taxes on most perishable goods when the government has no control, except in the supermarkets, over the sale of those goods. And they ask: "Is the price of social discontent not higher than the theoretical value of an impossible tax collection?"

The second week of October saw the first organized protests. On 13 October, the Federation of Catholic Schools and the computer and business schools decided to disobey the presidential decree. They said: "We will not collect or pay the tax."

Around that time, the president of the National Assembly, Alfredo Cesar, threatened to intervene in the national debate in an attempt to take advantage of the national discontent. Someone said: "the gentleman wants to sow tares and reap pears"—a reference to Cesar's public efforts to induce the U.S. Government to resume its aid to Nicaragua.

Perhaps because of that, the government gave in to pressure from the private schools on the following day and exempted them from payment of the tax. "They convinced us by their arguments that those measures will harm the future of education in Nicaragua," Pereira reportedly admitted as he left the meeting with private school principals.

Prices Before and After Reform (in cordobas)

Product	unit	Price before	Price after
Staples:			
Rice	lb	1.58	1.78
Beans	lb	1.04	1.15
Sugar	lb	1.36	1.46
Oil	liter	5.39	6.31
Beef	lb	7.95	8.08
Fluid milk	liter	1.96	1.96
Hard cheese	lb	6.03	6.85
Tomatoes	dozen	4.63	6.45
Onions	dozen	3.84	4.44
Cabbage	each	3.70	4.09
Green plantains	each	0.93	0.94
Tortillas	each	0.31	0.37
Bread	loaf	3.48	3.41
Household items:			
Ground coffee	lb	7.02	5.82
Hand soap	each	1.65	1.61
Detergent	package	0.87	0.78
Deodorant	each	5.48	6.57
Toilet paper	roll	1.64	1.51
Sanitary napkins	package	3.45	3.35
Gas	25 lb	21.13	23.00
Electricity	kWh	0.35	0.40
Water	gallon	0.0017	0.0017
Clothing:			
Trousers	pair	37.63	35.53
Shirt	each	31.25	29.61
Dress	each	56.75	64.40
Blouse	each	29.25	20.09
Child's suit	each	46.44	53.49
Shoes			
Men's	pair	86.69	99.67
Women's	pair	56.56	60.17
Children's	pair	51.81	51.77

The Farm Is Still Burning

On that same day, the pharmacies issued a protest. Five days earlier, the editors of newspapers, weeklies, and publishing houses had signed a letter to the president in which they demanded "immediate rectification" of the IGV as it applied to sales of newspapers, magazines, and books.

Emilio Pereira reappeared on the scene and asserted that nothing besides education was going to be exempted from payment of the tax.

But again, popular pressure forced the government to change course. Last weekend it was announced that the IGV on medicine, newspapers, and magazines would be reduced to 6 percent.

The protest over the higher cost of the basic basket was not as well organized as the others. In the markets, where no invoices are issued, prices rose on all products as a reaction to the announced taxes.

Taxes plus frozen wages means a reduction in incomes. The World Bank estimates that every Nicaraguan receives an average annual income of $340. If this tax remains in force, incomes next year might be lower.

Let us hope that everything will be straightened out before the silent protest by the poor breaks into the open.

* Change in Government Ministry Policy Viewed

93CA0028B Managua LA PRENSA in Spanish 2 Nov 92 p 14

[Commentary by Carlos Bonilla Martinez: "When A Promise Becomes an Affront"]

[Text] Four months ago, Minister of Government Alfredo Mendieta summoned a group of democratic journalists to a press conference and outlined to them his policy as a state official with respect to what he himself called the demilitarization of his ministry, whose painful past had turned it into a hated department known as the Ministry of Interior, the synonym of murder and corruption.

Mendieta said at the time that civilians would have authority over the military, that the former military cadres imposed by Tomas Borge would be removed from key posts, that the Ministry of Government's structures would be reorganized and staffed with police officers not contaminated by human rights violations, that the Civil Inspectorate would try police officers for crimes, and, lastly, that the important thing was to protect the citizen from abuses of authority and to use the police to protect private property, as in fact he did in the case of the La Fe supermarkets owned by a Lacayo family.

Parallel with those ideas, he established the permanent professorial chair of civil law as a symbol of what was intended to be an antimilitarist institution that would cast off the military clothing so rigorously imposed by the previous dictatorship. He also promised to open up the ministry's library to students and the general public so that people would not be afraid to enter the building that has cost our people so much blood. And the truth is that the very thought that the beast's den was on the fifth floor causes terror. This is not cowardice; it is the terror of being contaminated by that den.

A team of civilian advisers began working to come up with various plans backed by the democratic and antimilitarist thinking of President Violeta Barrios de Chamorro.

That team was disbanded because the military did not like it. Some of its members left, and others were forced into silence.

Cardinal Miguel Obando y Bravo, our spiritual leader, supported by his presence the idea of demilitarizing the ministry and reorganizing the National Police command, as Mendieta had promised him during a special meeting between the two. We believe that was why he gladly agreed to give a lecture on "Education in Democracy" at the Permanent Chair of Civil Law.

On that occasion, the cardinal said things like this:

"The judicial branch has a duty to ensure each individual's rights with complete impartiality and without letting itself be diverted by pressure from any group."

"The police defend domestic peace and work against the domestic enemies of law and order."

"The forces of law and order must be the guarantee of the establishment of the state of law."

In light of those statements, the prelate asserted that a keen awareness of human dignity had spotlighted the need to establish a political legal order that would be increasingly effective in protecting all human rights.

With that in mind, we were looking for the substance of Alfredo Mendieta's promises, since his entire role as a state official is summed up in the protection of the citizenry and the establishment of a different and apolitical type of police conduct.

When Mendieta made his promises, we believed that he was doing so within the framework of an achievable government policy. But ministerial silence has very quickly returned, while reports of police abuses are making the rounds in city and countryside.

We note that a group of journalists gave every sign of support after being summoned to the press conference, thus reaffirming their role as antimilitarists and convinced democrats. They proceeded to give Mendieta's idea news coverage—we would even say that they made a commitment to him. They made a commitment to someone who seemed to be managing a reality personified in justice, impelled by an interest in human dignity, and moved by the need to build our country. The journalists are still committed and waiting, with the people, for fulfillment of the ministerial promises.

The citizens are beginning to wonder who was really responsible for the failure to demilitarize the Ministry of Government. Who was it that prevented a logical and genuine restructuring of the police cadres?

If it was the Presidency of the Republic, that would be serious because it would mean that a campaign promise was being broken.

If it was the minister of Presidency, that would be worse because it would mean that there was improper interference in the thinking and philosophy of our ruler. If it was the minister himself, that would give us a lot to think about concerning the structure of the state.

If Mendieta had been able to keep his promises, the conditions would be right for the free exercise of individual rights and the rights of groups and associations. There is no official repression in Nicaragua. Public freedoms are being threatened and to some extent repressed by those who say they are governing from below.

If Violeta Barrios de Chamorro's government, acting through the Ministry of Government, does not do something tangible to curb the lack of discipline on the part of the military leaders and continues to have ministers incapable of doing their job, the time will come when we will have to conclude that the real culprit behind the repression is her government, not the Sandinist Front.

Lastly, lying becomes violent action when disrespect for the rights of others comes into play, and promises become an affront to conscience when they are not kept or are made without the ability to carry them out.

* President's Communique Supports Army Chief

93CA0028C Managua LA PRENSA in Spanish 5 Nov 92 p 14

[Commentary by Horacio Ruiz: "Six Hours of Exchange and a Discouraging Communique"]

[Text] Unfortunately, we must agree with those citizens who have expressed serious reservations concerning the results of the six-hour meeting between the executive branch and Army chief General Humberto Ortega on Wednesday the 4th. That meeting resulted in a communique drafted in the style that predominates in military bulletins and making it appear that the executive branch has again been pushed to the edge by the country's military caste, which is undoubtedly determined to lead a life of its own within the functioning of the state.

Let us begin by emphasizing the dramatic weakness displayed by the executive branch at this conference, the tone of which is unknown because it took place in complete secrecy and no extensive communique has been issued concerning what was said. While Gen. Ortega has the backing of 16,200 soldiers and the 20 colonels on his staff, the president has no visible personal support and no army in the form of party support or even clear conviction in favor of her leadership. Ortega showed up with a whole task force, while Chamorro lacked even a personal bodyguard.

What we had here—it must be said in all frankness—was a Sandinist political army headed by a general who is a member of the Sandinist political leadership, from which he is merely on leave of absence, and whose backup consisted of 20 colonels with known Sandinist sympathies plus 16,200 soldiers who have been indoctrinated in Sandinism. On the other side was the president of the republic, protected only by the constitutional statement that she is the supreme commander of those forces. The president certainly has very little leeway and nothing real to cling to except the good will and self-interest of the political rivals she defeated in 1990.

The result is that the EPS [Sandinist People's Army]-type communique issued on the Presidency of the Republic's letterhead comes across as a big victory for Gen. Ortega, since the Presidency of the Republic acknowledges that the cutback in the Armed Forces—a key point in Ortega's recent manifesto—will stop at 16,200 men even though it is known that the president wanted an even greater cutback, although not the complete elimination being called for by the Antimilitary Movement.

There is also rather vague mention of an agreement having been reached to amend the military law to place limits on the time each member of the Army spends in his post. But that will not happen until the conclusion of the process now under way, meaning the "modernization" of the Armed Forces. We have heard that an army's modernization never ends. Considering the present circumstances, we would say that limits on the time spent in one's post will not be set until the Nicaraguan Armed Forces—which are really the Sandinist Armed Forces—have deployed tactical nuclear weapons or chemical warfare equipment. We certainly have a long way to go before that happens. So no date was set for Gen. Ortega's retirement from his post, nor was any date mentioned for setting that date, meaning that the government won a Pyrrhic victory—or, to use Nicaraguan language, which is always so productive in any situation, it got nothing on two plates.

Even when we reach that longed-for date on which the EPS will have modernized itself to such an extreme that it will be necessary to start setting limits on the time each officer and enlisted man spends in his post, Gen. Ortega could claim that he is abiding by the provision in the law which will say, in its proposed amended form, that only the Council of Officers can restore him to his post and that he is not giving up his rights on that point. The very attempt to change that law will no doubt be another new legal battle which President Chamorro will have to face alone, as we said, in the face of a rival partisan army, and she will not even have a personal bodyguard. What we see, then, is that although it was expected that President Chamorro would admonish Ortega for making a political speech and threatening citizens who were opposed to militarism and the budding of a new military dictatorship, she met with him for six hours only to end up saying what Ortega had said days before. There was no clear contradiction between Ortega's document and that issued by the Presidency, except that Ortega will step down by 1997 or later if the Army's "modernization" is not complete by 1997.

Nor was anything said in the communique about the 1993 military budget, which, astonishingly, was increased not long ago when the government backed a $1.8-million loan which the EPS received directly from a bank on Grand Cayman, according to LA GACETA DIARIO OFICIAL, in a business deal in which the EPS acted on its own responsibility without going through the state institutions. The Army budget had already been increased by the sale to Peru of a large quantity of expensive military equipment, and if we are to believe the communique, 1993 can be expected to bring a new budget that will be close to the 1992 total of $78 million—an intolerable amount for our country. There is nothing in the communique to deny this. But the fact is that even if Gen. Ortega decided to step down today, the legion of officers accompanying him to the interview

with President Chamorro was trained politically in the political theory of the Sandinist National Liberation Front (FSLN), and none of them is known to have said that he has changed his outlook. In fact, Ortega is just like any other high-ranking EPS officer who might replace him and vice versa from the practical standpoint of eliminating future military obstacles to the democratic process.

That leads us to the somewhat painful final thought that the executive branch is implicated in this tangle, considering its decision to destroy the political alliance that put it in power in 1990, the idea being that it would have a better future in alliance with the Sandinists. The correct thing would have been to preserve harmony between the executive branch and the National Assembly, strengthen the UNO [United Nicaraguan Opposition] alliance, try to make deals with the Sandinist minority in the National Assembly, and make concessions to it with a view to achieving a constitutional reform which, as the basis of genuine reform, would depoliticize the Army and enable President Chamorro to thoroughly reveal her power.

But no. President Chamorro's advisers led her to believe in the mirage of reconciliation and induced her to begin her administration when maneuvering had already taken place behind her back for unknown but suspicious purposes—maneuvering in which Ortega would always be seen playing with three aces in his hand and one up his sleeve.

Constitutional reform has eluded President Chamorro now that her conflict with the National Assembly has become chronic and her advisers are only trying to create an executive branch with absolute power and one which, incidentally and by a suspicious coincidence, will always combine the government's interests with those of Gen. Ortega. In other words, the executive branch and the EPS have begun to resemble each other in actions and intentions.

The people who elected President Chamorro would feel better if it were openly admitted that the government feels comfortable with Ortega in charge and the EPS keeping the peace in its own way and when it feels like it—sort of like the hanged man whose rope is loosened slightly from time to time to create moments of tranquillity in the midst of an exasperating day-to-day social violence that renders the government useless and makes it unworkable in its defenselessness.

If this alliance is impossible to overcome for practical reasons, merely for lack of determination, or because of personal interests and is going to remain with us with its accompanying instability, violence, and threats of anarchy, the only thing needed is to warn the people of Nicaragua that matters are at a permanent standstill because of political shortcomings or the interests at stake or because thoroughgoing reform is impracticable and unachievable and tell them not to have any false hopes. The Nicaraguan people would then be free to organize, struggle, and prepare by every possible means, as they did before, to eradicate in fact any attempt to impose a tyranny on them at the point of a bayonet.

• Ortega's Continuation as Army Chief Viewed

93CA0028D Managua LA PRENSA in Spanish 6 Nov 92 p 14

[Commentary by Luis Sanchez Sancho: "The Identical Opposite"]

[Text] It is not because he is a Sandinist and a revolutionary that people fear General Humberto Ortega; rather, it is because he is a military caudillo and because, moreover, he has the monopoly on weapons.

The revolution failed, and there is no way that anything similar is going to happen again in Nicaragua. Besides, what revolutionary interest could exist among those who are now well-off property owners just like the people they overthrew in 1979?

The recent political manifesto by the Military Council and the Army chief's threats against democratic institutions and antimilitary politicians had an impact on the citizens because they reminded the latter of the old drama of the armed military subjugating defenseless civilians, but not because the citizens are afraid that a revolutionary regime will be reestablished.

The reason is that once again, a military leader is setting himself up as the power behind the throne and waiting for the favorable moment to actually sit in the presidential chair himself. Exactly the same as in Somoza's time.

The general certainly chose an appropriate moment to warn publicly that he will not retire as head of the Army, if he retires at all, until he himself sees fit to do so.

First of all, because it is a well-known and disturbing fact that the government is incapable of reconciling and pacifying the political forces, whether they be the UNO [United Nicaraguan Opposition] or the Sandinists. Also well known and disturbing is the marked weakness of the civilian institutions, which the citizens do not regard as being instruments for solving the nation's problems.

And second, the United States is experiencing the traditional vacuum of power and gap in responsiveness that occur in every election period. At the moment, no one in Washington is interested in anything the Nicaraguan general says or in his intention to make himself the real power for the rest of his life.

Moreover, it appears that Gen. Ortega and the other military leaders are confident that the Democratic administration in the United States will be merciful to the Sandinist leftovers and that it is not going to worry because democracy in Nicaragua has been taken over by militarism.

In that scenario, the message from the Nicaraguan military to the government, the civilian institutions, the

political parties, and the unions of producers and workers is sufficiently clear: only the Army, commanded by Gen. Ortega, is capable of guaranteeing stability and creating the national pact that society requires to overcome its prostration and disorder.

It is possible that the general believes that businessmen are interested in stability at any cost so they can invest and earn profits quickly and that they would therefore be willing to back a strong man offering Nicaragua security and political discipline.

The military leader is reportedly also confident that the propaganda aimed at stripping the parties and the civilian institutions of their legitimacy is yielding results, that the population is ready to repudiate politics and politicians, and that once again, as in the days of Zelaya, Mena, Chamorro, Moncada, and Somoza, Nicaraguans will fall into the arms of the authoritarian man who will put things in order.

From that standpoint, the situation in Nicaragua is disturbing. The fact is that civilian or military authoritarianism is attempting a comeback throughout Latin America. The Fujimora episode in Peru is tempting to technocrats who boast that they owe nothing to politics and believe that democracy is valid only if it is efficient and profitable.

Gen. Ortega's attitude and his words lead one to feel that "Somozaism without Somoza" was not a phrase used by the Sandinists to discredit the parties proposing a democratic way out of the Somoza dictatorship. Somozaism without Somoza is the real power, authoritarian and military, that rules through people dressed in civilian clothes, just as the previous general ruled in the days of Sacasa, Roman, and Reyes or Rene Schick, but also by brutally imposing itself, as during the days of direct government by people like Tacho Somoza.

It is not true that the Army can only be professionalized if Gen. Ortega stays on as military chief. The pretext for putting up with Commander Rene Vivas for as long as he was tolerated in the police command was that removing him would provoke insubordination in the police ranks, but Vivas left, and nothing happened.

The contrary is true. If Gen. Ortega left, there would be confidence, tranquillity, and respect for the new military leaders whose terms of office would be stipulated by law. If fear and anxiety are the rule now, the reason is Ortega's presence, not the possibility of his retirement.

If Gen. Ortega is as intelligent as he is said to be, he ought to follow the example of Polish General Jaruzelski, who retired quietly and comfortably and is now respected by all Poles. Or that of Filipino General Fidel Ramos, who retired in time to annoy Cory Aquino's administration, got involved in politics, and is now president of his country, having been freely elected by the people.

Sandinism is formally opposed to the old Somozaism. But judging from Gen. Ortega's militaristic ambitions, it seems more like the identical opposite and is threatening to institute Somozaism without Somoza.

Panama

Column Questions Clinton Foreign Policy

PA1001193793 Panama City EL PANAMA AMERICA in Spanish 10 Jan 93 p 1

["Panama's Pulse" commentary]

[Text] Clinton will assume the U.S. Presidency in 10 days. He has already organized his government team. He would have preferred to dedicate his full attention to his country's economy, but problems in the international arena are already making it obvious that he will not be able to do so. His administration will not have officials of the stature of Henry Kissinger or James Baker, which means Clinton will design his own foreign policy as Franklin Roosevelt did.

Three topics will necessarily require the new president's attention: Iraq, Bosnia-Hercegovina, and Somalia. Saddam Husayn will try to take advantage of the changing U.S. Administration to recover, at least in part, his lost prestige. Serbians, Croatians, and other nationalities in the inferno known as the former Yugoslavia will continue showing how far the barbaric actions of supposedly civilized human beings can go. Hatred and petty interests will continue to be the cause of hunger and desolation afflicting many people in Somalia.

In the American hemisphere, Clinton must avoid the formality and confusion of the Carter administration. The return of former government officials with impressive records of mediocrity and failure is worrisome. THE NEW REPUBLIC has justifiably criticized Clinton for selecting Warren Christopher as secretary of state.

U.S. Embassy Denies DEA Leaks

PA1101001393 Panama City EL PANAMA AMERICA in Spanish 9 Jan 93 p 3A

[Report by Eduardo Soto P.]

The U.S. Embassy in Panama denied that the DEA is "leaking classified information" to the media on the alleged participation of Panamanian attorneys and government officials in drug trafficking activities.

A local newspaper recently published the names of prominent members of the Nationalist Liberal Republican Movement, who are allegedly laundering drug trafficking money. The names included several directors of the Colon Free Zone.

During a recent speech, U.S. Ambassador Deane Hinton affirmed that honest businessmen and "criminals" are using the Colon Free Zone.

The same newspaper published lists on three occasions, including names of attorneys (legislators, magistrates, and businessmen) who are allegedly involved in registering companies that are used to launder drug money, insisting that such information came from the DEA.

U.S. Embassy officials, in a press bulletin, stated firmly that "the DEA office in Panama has no knowledge of any such lists."

The U.S. Embassy reaffirmed that it "has no idea who could be making the lists, but (...) it is not the DEA office in Panama."

The Embassy bulletin said the statements by the newspaper, which said the DEA was "leaking classified information" to reporters and columnists, are "false."

Issues 'Black List' of Companies

PA1101001293 Panama City EL PANAMA AMERICA in Spanish 9 Jan 93 p 1A

[Report by Juan Pritsiolas]

[Text] On 9 January the U.S. Embassy issued a black list of 161 companies and individuals established in Panama that are trading with Cuba, Libya, Iraq, Vietnam, and North Korea.

The list, prepared by the U.S. Treasury Department, features former General Manuel Antonio Noriega and his wife, Felicidad; former presidential candidate Carlos Duque; Carlos Wittgreen (against whom Panama has filed an extradition request); and Miguel Ramon Ruiz and Armando Padron Trujillo, the Cuban military officers who were tried for drug trafficking in Havana.

U.S. regulations prohibit individuals and corporations subject to U.S. jurisdiction from carrying out direct or indirect transactions with those included on the list. Those who violate said restriction shall be subject to fines, confinement, and confiscation of property.

Several companies established in Panama, which helped Cuba burrow under the U.S. trade embargo, are also on the black list. These companies were set up by the MC Department [Departamento MC] of the Cuban Interior Ministry and include Cimex, Interconsult, Havanatur, Siboney International and Mercurius Import/Export Company.

The names of several Cuban intelligence officials are also listed, such as: Lieutenant Colonel Michael Montanez, Charles Romeo, Dario Ortega, and Victor Pena.

Cubana de Aviacion, Transit, Marinexam (which belongs to Ramon Sieiro), the Servinaves shipping agency, Club Villa Fenix, Teneria Tauro, and others are listed in the document issued by the U.S. Embassy.

Another 15 companies and individuals were deleted from the original black list, which was prepared in 1988. Televisora Nacional; Melo and Company; Alberto Pons; Riande Hotels; and SETRACA, a Dutch cargo agency, are no longer on the list.

A Cuban report affirms that U.S. officials came to Panama between 1990 and 1991 to carry out direct investigations into companies maintaining trade relations with Cuba, and passed the list to Panamanian authorities.

Trade with Cuba occurs mainly through the Colon Free Zone, from where 10,000 tons are sold for some 100 million balboas per year.

Footwear, cosmetics, clothing, office equipment, and appliances are the main items sold to President Fidel Castro's regime.

Government Stops Issuing Transit Visas to Cubans

PA1101003893 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Jan 93 p 1a

[Report by Carmen Elida Contreras; all quotation marks as published]

[Text] Immigration Department Director Antonio Dominguez announced that from this date onward, the government will no longer issue transit visas to Cuban citizens bound for other countries. Dominguez explained that this decision was due to the "irresponsibility" of Cubans based in Panama.

According to Dominguez, the decision, which was made at the "highest levels," will affect Cuban residents of other countries who have to pass through Panama."

The official said that those persons "have no other option" than to depart via Peru or any other country that has airline connections with Cuba.

Dominguez explained that there was a case this week involving the immigration of a Cuban woman named Viridiana Carolina Buergo, who arrived in Panama on 7 January with her two year-old daughter.

The foreigner asked the Immigration Department to extend her transit visa to Peru by 30 days, even though these visas are only good for 24 hours.

"The consul in Cuba told her that once she was in Panama she could request a 30-day extension, explained Dominguez. He stressed that everything had been a misunderstanding, which provoked "drastic" changes in the government's policies of transit visas for Cubans.

According to Dominguez, the Cuban woman, through friends in Panama, managed to make "false" charges in response to not being granted the extension.

Cruz Denies Bargaining To Avoid Trial

PA1101162193 Panama City Radio KW Continente in Spanish 1200 GMT 11 Jan 93

[Interview with "suspended Attorney General" Rogelio Cruz by Celso Contreras in Panama City, date not given—recorded; Cruz' title rendered throughout item as heard]

[Text] [Contreras] The Attorney General's Office remains the center of attention in the wake of the suspension of Attorney General Rogelio Cruz. On 11 January, Cruz and his lawyers are expected to file a suit against Solicitor General Donatilo Ballesteros. In view of your legal maneuvering, your insistence that you be brought to trial, and your confidence about returning to the Attorney General's Office, we ask: After watching you and hearing you discuss the actions you will take, the rumor in the street is that you are bargaining to avoid being tried, and that your goal is to be named ambassador to stop the whole procedure. How true is the rumor?

[Cruz] The rumor is totally false. Time will demonstrate the falsity of the rumor. The attitude of the people is that their first reaction is not to believe anyone. I am certain that with time, when the people know I will continue my struggle and more Panamanians join me in this struggle, they will know I cannot disappoint the people. I will continue this struggle, but not for Rogelio Cruz. If it had not been for Rogelio Cruz and his family, it is very unlikely I would have accepted the post of attorney general or decided to perform my duties for almost three years. Now, it is a matter of principle. It is a matter of justice. I was appointed and have been performing my duties, but I ran into problems because I stepped on the fat cats' toes.

I did not have the support of the people of Panama previously. Now, I sense the people are beginning to support my actions. In that case, I cannot disappoint the hopes of the Panamanian people. That is why I am saying time alone will show I did not make a deal or will not make one. The only way to avoid the trial, a trial which I have been and will continue requesting, is if the Supreme Court decides on its own to drop the charges once the expansion of the brief the Court requested is filed.

I cannot impose on the Supreme Court the decision to bring me to trial. I am, however, asking the Court to try me. If the Court rules no offense was committed and I am not responsible for any offense, the Court will obviously not try me and will throw out the case.

New Police Agency To Counter Drug Trafficking

PA1101122993 Panama City EL PANAMA AMERICA in Spanish 9 Jan 93 p 14B

[Report by Eduardo Soto P.]

[Text] A new subordinate agency of the Judicial Technical Police (PTJ) was opened in Arraijan District on 8 January. From there the PTJ intends to "control" personnel and activities at the Vacamonte Port docks and prevent possible drug trafficking.

According to PTJ Deputy Director Carlos Landero, there is no specific information about the possible use of the port facilities for drug trafficking purposes. But he added that "just as in the eastern part in Panama Province, small ports in this area may be used" for drug trafficking.

Landero affirmed that the unit will begin "extensive control" of personnel and movement at the Vacamonte port.

According to the official, those bringing large harvests of marijuana from islands in the Pacific facing the Bay of Panama may be using the beaches in western Panama Province.

The chief investigator pointed out crime has increased in Arraijan recently along with the population growth. Because of this, he added, the PTJ subagency is needed in the area to prevent crime.

The new facilities have room for 15 inspectors, but only eight have been assigned to the station. Carlos Landero indicated that four more agents may be assigned during the first quarter of 1993. According to the investigator, the new agency is one of the most modern in the country.

Official Document Notes GNP Growth in 1992

PA1101160593 Panama City EL PANAMA AMERICA in Spanish 10 Jan 93 p 8D

[Report by Juan Pritsiolas]

[Text] A Planning and Economic Policy Ministry document reveals that 75,414 new jobs were created, and the country's GNP grew by 7.3 percent during 1992.

The report indicates that the increase in employment was in areas such as construction, manufacturing, and commerce. It was also due in part to a relaxing of the banking system's requirements, resulting in increased availability of consumer credit. The report also indicates that the GNP increase was due to stronger investments and consumption.

The document says exports increased by 5.2 percent, thus reflecting the favorable evolution of the economy. The service sector increased slightly as several segments included in that sector showed modest growth.

It also points out that despite the drop in transits through the Panama Canal and in the volume of crude oil moving through the Transisthmian pipeline, activities such as transportation, warehousing, and communications recorded a 6 percent growth.

According to the report, the agriculture sector experienced a 5.2-percent growth rate during 1992 as the result of a 4.2-percent increase in banana exports, with production totaling 42 million boxes.

At the same time, poultry meat production and swine slaughters increased by 9.2 percent. In addition, shrimp export grew by 12.9 percent.

The document highlights that the manufacturing sector recorded growth levels amounting to 10.5 percent when compared to 1991, mainly in items such as food, clothing, chemical products, crude oil refining, and nonmetal products manufacturing.

Bishops Conference Issues Communique

PA1101194093 Panama City EL PANAMA AMERICA in Spanish 10 Jan 93 p 10a

[Communique issued by Panamanian Bishops Conference, CEP, in Panama City; date not given]

[Excerpts] I. New year, new opportunity: The arrival of a new year fills our hearts with optimism and happiness, because it gives us the opportunity to do things again that were not done well and to mend mistakes, which tarnish the pages of our life, committed over the past year. A new opportunity is a blessing from God. [passage omitted]

II. The country's situation: The church promotes common good permanently and stands ready to offer guidance, in keeping with its prophetic mission.

a) We perceive, as is also obvious to everyone, a climate of frustration and confusion: In general, the aspirations of well being and social peace have not been fulfilled, and a wave of accusations, conflicts, and disputes, which undermine the trust of the population, even among government officials, has been unleashed.

b) Although statistics point to a significant economic growth rate, it is evident the benefits are not reaching the core of Panama, that is, small farmers, peasants, and Indian peoples who are far from centers of power, and who still lack health services, potable water, housing, electricity, and so on; unemployment remains high, and while the job demands of youths graduating from high schools and universities are not being met, unjustified public employee dismissals have multiplied and multinational companies have cut their payrolls, because of a repositioning of their products in international markets.

c) There are clear signs of division in the nation: Although it could stand as evidence of political vitality and offer opportunities for greater participation, the exaggerated proliferation of parties in the face of the upcoming elections shows a lack of credibility in the existing participative structures, and even worse, a fierce struggle for power based on particular interests.

d) Charges of corruption, past and present, are in the open: Contraband, drug trafficking, money laundering, embezzlement, misappropriation of public funds, use of children for political purposes, and so on. Most of them are committed by "white glove criminals," and yet, no one is trying to end this situation.

e) Without doubt, justice is among the most critical problems facing Panamanians. We have referred to it on many occasions and suggested different solutions. The current situation at penitentiaries, as we wait for better solutions, is pathetic. There is an inhuman overcrowding, and most of the prisoners are being held without facing due legal process and have served part of the sentence that would have been handed down for the crimes with which they were charged.

On this point we cannot overlook the issue of amnesty for alleged political prisoners: We regret having gone so far because of the ineptness or lack of political willingness on the part of the government that did not know how to, did not want to, or could not follow the recommendations of the National Reconciliation Commission and we also regret the delaying tactics used by the defenders of prisoners of the previous regime.

Should the debate on an amnesty law continue, we deem it to be our duty to offer some basic criteria that should be taken into account:

1) Any amnesty law proposal should define behaviors, categories of political crimes.

The categories could include the following:
a. Electoral crimes.
b. Crimes against freedom of speech.
c. Crimes against individual freedom (as long as they are not associated with torture or cruel, inhuman, and degrading treatment).
d. Crimes against state security.

2) An amnesty law should include prisoners who have already served the sentence that the law would have mandated for the crime with which they are charged. Those who are being held with due process should also be included. It is understood this measure would include all prisoners who are not necessarily linked to developments stemming from the invasion.

3) No amnesty law should include, among others, the crimes of torture, rape, embezzlement, and homicide.

4) We hope, should it be passed, that those who are benefited by an amnesty law will understand its meaning and welcome it with an authentic spirit of rectification and reparation.

We reiterate the proposals made by the Permanent Committee of this Conference on 28 December of last year, particularly the offer by the Interdiocesan Commission of Justice and Peace to study the cases and find solutions. These solutions, without originating in political transactions or dealings but rather a sincere moral and evangelical attitude, can express the most basic desire of brotherhood and fellowship among all Panamanians.

Although we appreciate the actions regarding the case of Father Gallego [allegedly kidnapped and murdered by the military in 1971], it concerns us that, despite the issuing of the trial summons, the hearing with those implicated has not yet been held.

e) We can but repudiate and condemn the growing social, criminal, and terrorist violence: All forms of violence are inhumane, antievangelical, and although they may sometimes find an apparent justification by the state of social or legal injustice, we must make an effort to eradicate the source of fratricidal and class struggle from the fatherland.

f) Once more, we express our views to journalists: Your duty to educate and inform is not compatible with an extended and uncontrolled information system by some media, according to which no one knows whether what is published is true or false. This affects the name and reputation of persons and institutions, since the feelings, symbols, and most sacred values are not respected and emotions and ambitions are unleashed.

III. Hope is still possible: Although we are overwhelmed by the situation, we can and must give social change an opportunity.

If in the past we were capable of joining our efforts and creating mechanisms for peaceful change, today it is also possible to accomplish unity by launching a concerted national effort to seek joint solutions and prepare the atmosphere, criteria, and readiness for the 1994 political tournament.

A national purification effort is necessary to eliminate social and legal injustice, corruption, and impunity, as well as to retrieve the truth, defend life, support reconciliation, fight poverty, end intrigue and division, and join our efforts for the common good, solidarity, communion, and participation.

In this regard, it is necessary to return to the plans and campaigns to recover the civic, moral, and social values so as to promote new attitudes at all levels of national life. Among other plans, we applaud, welcome, and support the initiative adopted by Santa Maria La Antigua University to approve the Family and Minors Code.

This task is not easy, nor are the human resources enough. The conviction and courage of a deep and strong faith, capable of moving mountains and paralyzing a "lion", is needed, which, paraphrasing St. Paul, is constantly running around, looking for someone to devour (cfr. I Pet. 5,8-9). This is none other than the widespread moral, political, and social corruption of our people, caused by personal ambitions, party interests, and human selfishness.

Strengthened by faith, we will be able to successfully complete that personal conversion, which is the beginning of an authentic national reconciliation and true and effective peace for which we long.

"Blessed are the poor in spirit, for the Kingdom of Heaven belongs to them" (Mt. 5:3). Holy Father John Paul II recalls this lapidary phrase during his peace greetings for the new year, 1993. "If you want peace," the pope says, "come out and meet the poor." This message goes out to all sectors, namely the government, political parties, unions, family, and church, especially for the year 1993, which is just beginning, as a platform and introduction to the important decision that will be made in the 1994 election year.

May the Son of God, brought forth from Mary in Bethlehem, grant upon us the strength to glorify God by respecting life and building peace among men.

Argentina

Menem Comments on Future Trip to Great Britain

PY1101163093 Buenos Aires TELAM in Spanish 1521 GMT 11 Jan 93

[Text] Mar del Plata, 11 Jan (TELAM)—President Carlos Menem said today that "we will talk about the trip" to Great Britain "as soon as we conclude everything pertaining to the topic of fishing in the South Atlantic."

He added that "matters are going very well, but we still have to put on the final touches, smooth out some rough edges, and as soon as this process is concluded by around March or April, we will begin to deal with everything that pertains to the trip to Great Britain."

The president referred to this topic during a new conference he gave at noon today at the Chapadmalal presidential residence.

Says Error in Not Killing Saddam

PY1201121093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2231 GMT 12 Jan 93

[Text] Mar del Plata, 11 Jan (NA)—President Carlos Menem stated here today that a tremendous error was committed in not killing dictator Saddam Husayn during the Persian Gulf War waged early last year to recover Kuwait following the Iraqi invasion.

Menem stated this during a news conference when consulted about a possible new armed conflict provoked by Husayn in the Middle East.

Menem said that the Iraqi leader "is up to his old tricks again," adding that "the United Nations must solve this case."

He concluded by predicting that "this black page in the history of mankind will end very soon."

New National Auditing Office Chief Interviewed

PY0801210193 Buenos Aires CLARIN in Spanish 4 Jan 93 pp 12-13

[Interview with National Auditing Office Head Hector Masnatta by CLARIN—date and place not given]

[CLARIN] Please describe the way the National Auditing Office will operate while you are there?

[Masnatta] As you know, the word auditor comes from the verb to audit, or to hear. We will be the ears of Congress and will audit the institutions. A particular phenomenon occurs in Argentina and in other Latin American countries. The National Accounting Office implemented a mechanism to audit and to compensate the State if inaccuracies in accounting are detected. This was a sort of policing mechanism that could impose sanctions. Law No. 24156, which creates the Auditing Office, establishes a new type of audit like that being implemented in the First World. This is an operational audit, not audit by policing. It seeks to change the norms, to tell the institutions: "Gentlemen, things must not be done this way, but that way."

[CLARIN] Will it audit...?

[Masnatta] It will audit all the budgetary, economic, patrimonial, financial and legal expenses of central administration, decentralized institutions, state-owned enterprises and societies, public service institutions, city hall—which currently has no audit whatsoever—and even private enterprises involved in privatizations. The Auditing Office is empowered to audit the privatization process of the State National Airline if it deems necessary. We will audit everything that is not related to public funds. We are empowered to audit everything. We have special auditing powers. We will receive reports and we will act. We will not impose sanctions but we will report those cases that must be investigated by a court.

[CLARIN] These appear to be the duties of the Administrative Investigations Prosecutor Office. Why is that institution not discharging these duties?

[Masnatta] I do not know. That is their problem. Our powers will be expanded, and we will make the public administration more technical and respectable.

[CLARIN] Is it not a trifle inoffensive for an institution to investigate but not impose sanctions?

[Masnatta] No. We will have huge powers. The creation of this organization is unprecedented in the country. It is unlike any other institution because, although the Auditing Office is subordinate to Congress, it is also empowered to audit Congress. This means that the State's branches are being encouraged to audit themselves.

[CLARIN] The government closed the National Accounting Office. The Administrative Investigation Prosecutor's Office is almost stagnant, the SIGEP [General Trusteeship of State Enterprises] was dismantled, some of the federal prosecutors who investigated public employees were "promoted" and transferred from the federal court. How do you feel as head of an institution that audits a government that apparently does not want to be audited?

[Masnatta] The SIGEP has not disappeared. It was replaced by the General Trusteeship of Public Enterprises. As for your other points, I abide by what is written here (he shows a file with the text of the law creating the Auditing Office). I am an employee of the Argentine Congress. I have been empowered to act, and you can rest assured that I will do so. The way we will do it will depend on the structure of the institution which has a legal plan and powers to expand. We live and learn. It will also greatly depend on the employees we will

appoint. We are starting from scratch. We greatly appreciate those who have a curriculum, but we especially like those who have no police record. [sentence as published]

Bolivia

Armed Forces Organizational Law Promulgated

PY1101201793 Santa Cruz EL MUNDO in Spanish 1 Jan 93 National Section p 3

[Text] Tarija, 31 Dec—The president of the Republic, Jaime Paz Zamora, yesterday met Military High Command members in his country residence of "El Picacho" to review, evaluate, and finally approve the General Assignments and Promotions Order, promulgate the historic "Armed Forces Organizational Law"—called the "Independent Commanders Law" by the president himself, and confirm the High Command members in their posts, namely Armed Forces Commander-in-Chief Oscar Vargas Lorenzetti, Army Commander-in-Chief Oscar Escobar, Air Force Commander-in-Chief Fernando Sanjines, and Navy Commander-in-Chief Miguel Alvarez Delgado.

Discussing the organizational law that was approved in early December and that will become effective on 1 January, Paz Zamora expressed his belief that it represents an extremely important tool for the modernization of the Armed Forces and their advancement into the 21st century.

The most important contents of the Armed Forces organizational law, described as a tribute to and profound recognition of the memory of the independence guerrillas, may be summarized as follows:

I. Armed Forces Role and Mission

With respect to this point, it is hereby established that the Armed Forces play an important role in the national arena because the Constitution assigns them the basic mission of defending and preserving national independence, the Republic's security and stability, and national honor and sovereignty. In addition, the Armed Forces must safeguard the effectiveness of the Constitution, guarantee the stability of legally established governments, and cooperate in the country's integral development.

According to the constitutional provisions, the Armed Forces organization relies on hierarchy and discipline, which are the basic pillars for their development. By nature, it is a basically obedient institution because it does not deliberate and is subject to military laws and rules and regulations.

The Armed Forces are subordinate to the president of the Republic, who is the Armed Forces captain general. In the administrative field, the Armed Forces receive orders from the Defense Ministry. In the technical field, the Armed Forces receive orders from the office of the commander in chief.

According to the organizational law, the Armed Forces represent the institution in our country engaged in national security and defense. Therefore, they are constantly current and are organized to plan and carry out all the activities conducive to the accomplishment of their mission.

According to the organizational law, the Armed Forces safeguard national security through the state's preventive and executive measures to prevent or reject any domestic or foreign interference or aggression.

II. Contribution to National Development

Chapter V of Section I of the organizational law discusses the active participation of the nation's Armed Forces in national development through social works and infrastructure production, especially in the border areas, with the goal of integrating them into the rest of the country. In addition, the Armed Forces will participate in basic and strategic industries and in national emergency situations at the executive branch's specific request.

Under a democratic system, the Armed Forces' participation is important, not only regarding the discharge of their specific duties but also concerning the promotion of national development.

III. Military Territorial Organization

The new law assigns to the Defense Ministry the administrative military territorial organization with the goal of guaranteeing the integrity of our fatherland's territory, facilitating the clearly military operations, and achieving timely coordination between the military command and the political-administrative authorities.

IV. Important Duties of the Military Courts

Due to the important tasks carried out by the organizations that administer military justice, enforcing the law against those who violate the legal order that governs the Armed Forces' institutional life, the new law accurately and rationally establishes the operation of the courts both in peace and in war. One of the innovations establishes that the president of the Supreme Court of Military Justice will be appointed by the president of the Republic and the Armed Forces captain general.

V. Authorization for Entry and Departure of Troops

For the entry and transit of foreign troops in our Republic's territory, the Armed Forces organizational law establishes that the Armed Forces commander-in-chief will request from the legislative branch, through the Defense Ministry, the appropriate authorization as established by the Constitution. The same procedure will be used for the deployment of Bolivian troops.

VI. Length of Service

With the goal of allowing the personnel serving in the Armed Forces to contribute with greater experience to

the institutional activities, the effective active-duty time is hereby extended to 35 years in order to prevent young generals, colonels, officers, and NCO's from being forced to go into the reserve when they still are able to contribute much more to our country and the armed institutions.

The office of the commander in chief also will regulate the situation of the military personnel who graduated before the promulgation of this organizational law.

New Police Commander Installed

PY1201125593 La Paz Television Nacional Network in Spanish 0000 GMT 12 Jan 93

[Excerpt] In a solemn ceremony at the government palace, General Luis Prieto Quiros was installed as the new commander of the Bolivian Police. He replaces General Jaime Cespedes who retired after 30 years of active service. [passage omitted]

Brazil

Government To Discuss Death Penalty

PY1201013093 Rio de Janeiro O GLOBO in Portuguese 11 Jan 93 p 3

[Excerpt] Brasilia—This afternoon, Justice Minister Mauricio Correa will present to President Itamar Franco alternatives, such as life imprisonment and forced labor, to stop the wave of violence affecting the country. The issue has been concerning the government so much that President Franco already has accepted discussing the implementation of capital punishment in Brazil. Minister Correa, who admits being strongly against capital punishment, will propose forced labor and new sorts of punishment for hideous crimes (kidnapping, rape, and holdups ending in death), but always with the approval of Congress and through the enforcement of amendments to be made to the Constitution.

The minister believes life imprisonment would be a more effective solution to the problem of violence because the juridical area would hardly agree to implementing capital punishment in the country.

The latest crimes reported by police, particularly the murder of actress Daniela Perez and the ruthless killing of the [five-year-old] girl Mirian Brandao, in addition to the editorial published by O GLOBO in its 10 January issue, made President Itamar Franco think. Minister Correa said: We will examine alternative ways of stopping the epidemic wave of violence affecting Brazil. [passage omitted]

OAB Suspends Campaign To Postpone Plebiscite

PY1201113493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Jan 93 p 1

[Text] The Brazilian Attorneys Association [OAB] has suspended its campaign to postpone the date of the plebiscite on the type of government (republic or monarchy) and the system of government (presidential or parliamentary), scheduled for 21 April.

Before Congress voted in favor of holding the plebiscite on 21 April, the established date was 7 September. The OAB and the Attorney General's Office will not file direct unconstitutionality charges against the change of date because they believe they will loose at the Federal Supreme Court. The unofficial decision by the Attorney General's office to remain neutral on the issue is also a political decision.

* Parliamentarians Support German Model

93SM0115A Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Dec 92 p 1-12

[Article by Clovis Rossi, Nilson Brandao, and Andrew Greelees: "Parliamentarians Support German Model"]

[Text] If the parliamentary system is approved in next April's plebiscite, it will be possible to defeat future governments with a vote of no confidence only if Parliament also approves the name of the new prime minister and his government program in the same act.

At least that is the initial proposal being made by the National Parliamentary Front, now presided over by Senator Jose Richa (PSDB [Brazilian Social Democracy Party], Parana). It is a copy of the German system, which calls for a so-called constructive vote of no confidence, the purpose of which is to prevent a power vacuum between the defeat of one cabinet and the formation and approval of another.

In most parliamentary countries, a vote of no confidence is merely "destructive"—that is, a majority of Parliament can approve a vote of no confidence in the current government without another government having been formed to replace it. That is what happens, for example, in Italy, where the 51st government since the end of World War II 46 years ago was installed a few months ago.

In order for a "constructive vote of no confidence" to actually be effective, however, there must be legislation restricting the number of political parties. The Brazilian Congress currently includes 20 parties, and with that many in Parliament, the possibility of forming two simultaneous majorities (one to bring down the government and another to form a new government) would be remote to say the least. The result is that a cabinet losing the confidence of its source of power—that is, Parliament—would remain in power forever.

In Germany, the political game is played basically by three parties: the Social Democratic Party of Germany (SPD), the Christian Democratic Union (CDU), and the Free Democratic Party (FDP). The FDP operates as a swing party, supporting sometimes the CDU and sometimes the SPD to defeat and form majorities.

The embryo of the parliamentary proposal also calls for direct election of the president of the republic—a controversial issue among parliamentarians. There are those who fear a power conflict between a president enjoying the legitimacy of the ballot box but having no power and a prime minister whose legitimacy is based only on the votes of his peers.

The embryo of the National Parliamentary Front's proposal increases the risk of conflict, since it gives the president more powers than those existing in more orthodox forms of parliamentarism. The Brazilian president would be elected in two rounds of balloting, have the power to veto legislation, exercise complete control of foreign affairs and national defense, and be able to decree a state of emergency or intervention in the affairs of the states.

"Direct election of the president of the republic was a slogan that became confused with the very idea of democracy," explains Sao Paulo's lieutenant governor, Aloysio Nunes Ferreira Filho, secretary general of the Ulysses Guimaraes Parliamentary Front.

The proposal by the parliamentarians is still at an embryonic stage and is actually more of a starting point for internal debate. The parliamentarians are not working with the idea of having a complete project ready in time for the plebiscite. In other words, the voters will be voting in the dark, not knowing exactly what kind of parliamentary system will eventually be adopted if the idea is approved in the plebiscite.

Parliamentary Alternatives

The chief alternatives for a parliamentary system are these:

1. Election of President

Direct: This would keep the present system, in which the voters choose the president directly. It is the method used, for example, in France, Portugal, and Austria.

Indirect: The president would be chosen by an electoral college. The Electoral College in Germany consists of the 662 members of the Bundestag plus 518 representatives of the state legislative assemblies.

2. President's Powers

Under one model, he reigns but does not govern. The president's duties are limited to the ceremonial duties of a chief of state, as is the case with the queen of England, for example.

Under another model, he makes suggestions but does not govern. In France and Portugal, the president has duties in the areas of national defense and foreign affairs. In the Gulf War (1991), it was Mitterrand who made the decisions.

3. How a Government is Defeated

"Constructive" vote of no confidence: This is the German system. The government can be brought down only if an alternative government is presented. The purpose is to make the opposition show responsibility.

"Destructive" vote of no confidence: This merely brings down the government. Italy is the prime example: 50 governments have been defeated during the 46 years following the end of World War II.

4. How a Government Is Elected

Majority system: The country is divided into electoral districts, and each party nominates only one candidate per district. The candidate elected deputy is the one receiving the most votes in that district.

Proportional system: Several deputies can be elected in each district. Each party presents a list of candidates per district. If the party wins three seats, they are filled by the first three people on that list.

Mixed system: This is the German model, in which a voter votes twice on the same ballot. One vote is for a candidate. The other is for a party list. Half the seats are filled by direct vote, half by the list method.

Union Force Supports Idea

The idea that a government in the parliamentary system should be defeated only if Parliament approves the name and program of a new government at the same time has the support of Union Force, the central union headed by Luiz Antonio Medeiros.

At a meeting in Rio de Janeiro, Union Force started its own campaign for party-political reform and in support of parliamentarism as a form of government. The union's proposal says that parliamentarism will facilitate "relations between the executive and legislative branches."

The union supports adoption of the so-called constructive vote of no confidence. Its leaders are calling for a lessening of the Senate's powers, introduction of the parliamentary system in the states, and direct election of the president.

The union says: "Upon examining the international scene, we feel that the most appropriate type of parliamentarism is the one that has been in effect in Portugal since the Constitution was revised in 1982 to clearly limit the powers of the president of the republic."

The union also supports reforms unrelated to the system of government that will be approved in the plebiscite. They include adoption of a mixed voting system by district like that is used in Germany, where a voter votes twice on the same ballot: once for a party's candidate and once for a party list.

Union Force is innovating in two directions: first of all by suggesting that the system of automatic candidates be

abolished. Currently, all deputies are assured a place on their party's ballot in the following election. And second, by proposing that candidates no longer be chosen at conventions but by party leaders.

The union leaders are calling for restoration of the loss of one's seat for lack of party loyalty: "On this subject, there is no middle ground; either loyalty and party discipline are enforced or there will eventually be chaos in the parties."

Lastly, Union Force is proposing changes in the campaign financing rules, one such change being permission for individuals and legal entities to contribute to parties and candidates within limits to be set by Congress.

Union Force Releases Study

Rio de Janeiro—During a state congress held in Rio de Janeiro yesterday, Union Force released a study of political reform and systems of government in which it recommends that our country adopt a parliamentary system modeled on that in Portugal. The union, whose support for parliamentarism is stated in its bylaws, will launch the Parliamentarian Union Movement in Sao Paulo on Saturday.

Before presenting the study, Union Force president Luiz Antonio de Medeiros criticized Itamar Franco's administration: "It needs to take a definite government position and outline a clear policy." He said that he and the president of the republic were scheduled to meet tomorrow.

"We feel that the parliamentarism most appropriate for us is the kind that has been in effect in Portugal since the Constitution was revised in 1982 to clearly limit the powers of the president," the document says. The president in Portugal has two basic duties: he acts as arbitrator of the government and as commander of the Armed Forces.

The union feels that there should be direct election of the president. The study calls for direct elections in only one round of balloting to avoid "undesirable polarizations."

Presidentialists Avoid Disagreements

The presidentialists have managed to maintain an image of unity by supporting that system in a general way, but when it comes to detailed rules, dissension appears. Concerned to avoid splits, the presidentialists intend to intensify their defense of the general idea and let the form of the system be determined by constitutional revision.

"We have much less dissension than the parliamentarians," says Senator Marco Maciel (PFL [Liberal Front Party], Pernambuco), who is coordinator of the presidentialist front now being formed. Deputy Wladimir Palmeira (PT [Workers Party], Rio de Janeiro), says: "My form of presidentialism is not the same as Maciel's, but we are going to support the system and then fight about the type later."

The presidentialists are unanimous in saying that the 1988 Constitution should serve as the basis of the system. But they all talk about improving that document. And that is where the disagreements begin. Maciel, for example, feels that the ministers should be chosen by the president of the republic and confirmed by the Senate, as is done in the United States. A minister rejected by the senators would not take office. Deputy Vivaldo Barbosa (PDT [Democratic Labor Party], Rio de Janeiro) prefers a vote of no confidence for ministers: the president would select his team with no confirmation being required, but at some later point a specified number of members of Congress would be able to recommend replacement of the top level.

Palmeira has made a controversial proposal: that the office of president of the republic be abolished and replaced by a collegial body of five elected members who would be in charge of the executive branch. The deputy himself admits that the idea has little chance of being adopted in the constitutional revision.

The PT deputy also supports the elimination of provisional measures—mechanisms created by the 1988 Constitution to allow the president to implement decisions with force of law until Congress votes on them. "It is a peculiar thing," says Palmeira. For his part, Vivaldo Barbosa comments: "Provisional measures are necessary instruments, but they must only be used in exceptional cases."

There is agreement on the need to reassess the president's veto power. Maciel maintains that vetoes on the grounds of unconstitutionality should be submitted to the STF [Federal Supreme Court]. That would be a way of preventing merely political vetoes on allegedly constitutional grounds. Palmeira feels that the president should have veto power only on bills initiated by the executive branch.

Maciel also emphasizes the unanimous opinion that presidential and congressional elections should be held at the same time, as proposed by Rio de Janeiro Governor Leonel Brizola (PDT). The president's term of office would be reduced to four years. To avoid disagreements, the possibility of reelection has not been discussed by the group.

Getting Leaders Together Difficult

The presidentialists feel that having the main leaders of their movement appear on the same platform during the campaign is a matter of secondary importance. They know that getting leaders such as Orestes Quercia, Antonio Carlos Magalhaes, and Leonel Brizola together at the same event will be rather difficult.

"It is not necessary to be on the same platform physically," says Wladimir Palmeira. In the opinion of Deputy Vivaldo Barbosa, there will not be a presidentialist front, but that will not prevent coordination of the campaign.

Chile

Hurd Meets With Defense, Foreign Ministers

PY1101183093 Santiago Radio Chilena Network in Spanish 1600 GMT 11 Jan 93

[Text] Douglas Hurd, UK secretary of state for foreign and commonwealth affairs, has held a series of meetings with Chilean Government officials. This morning, Hurd met with Defense Minister Patricio Rojas. The two ministers discussed cooperation with the three Armed Forces branches and the continued traditional supply of equipment by the United Kingdom to Chile.

Later Hurd held a working meeting and a private interview with Foreign Minister Enrique Silva Cimma. According to delegation members the topic of the British journalist's murder was not discussed.

Hurd is now at a luncheon with President Patricio Aylwin. This afternoon he will grant a news conference which will mark the end of his brief visit to our country.

Representatives Move To Try Three Justices

PY1101132493 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 9 Jan 93

[Excerpts] Early this morning the Chamber of Deputies approved a measure to try three Supreme Court Justices and Army Prosecutor General Fernando Torres Silva. The votes of the Coalition of Parties for Democracy [CPPD] facilitated the approval of the measure. [passage omitted]

After more than five hours of debate, the secretary of the Chamber of Deputies read the vote tally.

[Begin unidentified secretary recording] The motion passed by 66 to 39 votes with one abstention. [end recording]

The session concluded after 0300. This resolution by the Chamber of Deputies suspends Justices Hernan Cereceda, Lionel Beraud and German Valenzuela and military prosecutor Fernando Torres Silva from their duties until the Senate rules on the charges within the next 30 days.

Colombia

UK Announces Police Training, Investments

PA1101153293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0030 GMT 11 Jan 93

[Report by Jesus Garzon]

[Text] Attention: The UK announced on 10 January it will invest in cooperation programs for Colombia. Among other things, Colombian intelligence organizations will receive advice from the British to fight drug traffickers and guerrillas. The goal is to eliminate violence and boost resources.

Colombian detectives will be trained Sherlock Holmes-style in the UK by antiterrorist experts to fight violence in Colombia. This agreement was reached on 10 January between Foreign Relations Minister Noemi Sanin de Rubio and British Deputy Foreign Minister (Tristan Garrel-Jones). The UK will donate modern investigative equipment to Colombia and will train prosecutors, detectives, policemen, and soldiers to fight violence.

[Begin Prosecutor General Gustavo de Greiff recording] They have supplied technicians to gather evidence, techniques to remove bodies, and collect on-site evidence. [end recording]

The British Government has agreed with the Colombian Government to render advice for building jails and high security prisons.

[Begin Sanin recording] The Colombian Justice Ministry is interested in receiving cooperation and assistance regarding its prison systems. [end recording]

As if this were not enough, the UK announced it will boost, without barriers or hindrances, the sale of Colombian coal and bananas in the EEC. In addition, the UK ratified it will increase investments in 1993 in Colombia to generate jobs and resources.

[Begin (Garrel-Jones) recording] British Petroleum and its partners will invest about $600 million in Colombia. This type of investment—private funds—is not done unless there is confidence, not only in Colombia's present, but in its future and the need to overcome the violence problem. [end recording]

To ratify all these agreements President Gaviria will travel to London in the middle of the year.

Decree Restructures Foreign Relations Ministry

PA1101151993 Santa Fe de Bogota EL TIEMPO in Spanish 5 Jan 93 p 6a

[Text] Decree No. 2126, which restructures the Foreign Relations Ministry and lists the work of the offices that come under it, gives a new outlook to Colombia's relations with the rest of the world.

The new structure allows a daily follow-up on events taking place in various parts of the world. According to an expert who was consulted, this structure is more modern, and is the structure that works for the world's most efficient foreign ministries.

In the restructuring that took place a couple of years ago, three deputy ministries were created, and the ministry was divided into two basic topical areas: economic and political.

With the creation of the Foreign Trade Ministry the need to restructure arose once again. The new ministry specializes in commercial negotiations; an economic deputy foreign ministry thus becomes unnecessary. "The Foreign Relations Ministry can now back the work of Mincomex [Foreign Trade Ministry] and dedicate itself to do what it knows: to lead political relations," a specialist said.

According to what Foreign Relations Ministry sources have said, planning of this restructuring began about seven months ago. Meetings were held on Saturdays, Sundays, and holidays. The meetings served to analyze other foreign ministries, especially Latin American, as well as previous local experiences.

At the beginning the whole ministry met from top to bottom. The parameters set were then studied for five months by the four directors (multilateral political affairs, bilateral political affairs, bilateral economic affairs, and multilateral economic affairs), by the three deputy ministers (foreign relations, economic, and political), the two advisers, and by the minister.

The matter was discussed for about three weeks by the Council of Ministers. Apparently, because of the project's solid structure, it was the first decree to be approved.

The three deputy ministries created by this new decree are: Foreign Relations, America and Territorial Sovereignty, and Europe, Asia, Africa, and Oceania.

There will be four directorates at the foreign relations deputy ministry, including Special Affairs. This office will deal with topics to do with the new international agenda such as the environment, human rights, drug trafficking, and disarmament. Each one of these will have specialized offices. The planning office has been eliminated; it did not come under the ministry and delayed decision making.

The minister will have an analysis office with 10-15 first-class, full-time advisers.

Now the Foreign Relations Ministry, with a broader outlook, will support the presidency in proposing and executing international policies.

The decree seeks greater clarity in overall Colombian international policies to avoid the not-too-unusual contradictions that arise among different officials over a single topic.

Because the changes made by the decree are basically to do with job description, there will not be additional personnel. Better quality officials will be required, according to a ministry official.

Early retirement is expected for a number of the personnel and negotiations are under way with the finance minister for these to be replaced by fewer, but better paid people.

"The country has an excellent foreign minister, but an appalling ministry. With these reforms things are beginning to improve substantially," replied the expert who was consulted.

Government To Increase Number of Departments

PA1101162093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0030 GMT 11 Jan 93

[Text] The number of departments in the country will go up to 34 this year. The idea is not to divide the national territory further but to make the different regions of the country function better and more democratically. Here is the report by Jesus Garzon.

[Begin recording] [Garzon] The government is determined to lift Indian and Black communities out of their backwardness. It is drafting new bills with the goal of promoting the country's territorial units. Based on the new Constitution, and with the assistance of the Territorial Reform Commission, the government seeks to recognize all the rights of Indian and Black communities that have been occupying unused lands for some time. The government is working on the creation of two new departments to be located in the Middle Magdalena and Pacific Coast regions.

[Deputy Government Minister Jaime Buenahora] The communities that deem it advisable have the opportunity to try to unite at the level of municipalities and think of new departments.

[Garzon] With the new laws the government is working on through the congress, it seeks to protect the cultural identity of Indians and Blacks, as these laws are aimed at guaranteeing their economic and social development.

[Buenahora] We do not just want to recognize their rights but chiefly to implement their development. As a result, Indians and Blacks will enjoy the same rights as any Colombian. [end recording]

Survey Shows President's Popularity Declining

PA1101180893 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 5 Jan 93 p 7

[Text] President Cesar Gaviria's popularity was very low at the end of 1992, and it seems to be declining even more in 1993 among all social groups.

Opinion polls revealed that the president's image is negative not only among Colombians over 46 years old, but also among young people, whom Gaviria has tried to flatter with the installation of the so-called "Kinder" in top administrative positions.

The figures imply that the young people have not understood the president's action, nor do they feel represented by the so-called "Kinder" officials. The young people tend to share the older age groups' feelings toward the government.

A survey conducted by the Yankelovich Colombia firm during the third week of December showed that 104 out of 196 young people interviewed, or 53.1 percent, disapproved of the way President Gaviria is running the government; 71 or 36.2 percent approved; and 21 or 10.7 percent expressed no opinion.

The 26 to 35 age group was a little more indulgent. In this group, 36.4 percent said they approved of the president's actions; 51.7 percent disapproved; and 12.3 percent abstained.

During the survey, Yankelovich interviewed 289 persons between the ages of 26 and 35.

This group of intellectually and biologically mature young people expressed a disfavorable opinion of President Gaviria.

The survey included 96 persons between the ages of 35 and 45. In that group, 53.1 percent rejected Gaviria's administration, 35 percent approved of it, and 9.4 percent expressed no opinion.

The most critical group were citizens between 46 and 55 years of age. Out of 55 persons, four or 9.5 percent refused to answer; 35 or 53.8 percent gave a hostile reply; and 17 or 26.2 percent expressed a negative opinion.

Persons over the age of 56 were less radical in their negative opinions and more favorable toward Gaviria. Of 42 persons in that age group surveyed, 38.1 percent supported Gaviria, 52.4 percent disapproved, and 9.5 percent were indifferent.

* Official Collaboration With Guerrillas Studied

93SM0110B Santa Fe de Bogota EL TIEMPO in Spanish 4 Dec 92 p 13A

[Article by Camilo Chaparro: "Attorney General's Counterinsurgency Offensive—Budgets and Contracts Being Audited To Detect Misuse of Funds"]

[Text] Yesterday, the Office of the Nation's Attorney General concluded the first stage of the offensive that is to determine in which of the country's departments and municipalities the authorities are collaborating with the subversive groups.

The first official visits were made by lawyers sent directly from Bogota to the departments of Arauca, Huila, Cesar, Meta, and Casanare.

The list of departments in which the prosecuting authority will conduct special audits also includes Santander, Bolivar, and Antioquia.

According to sources in the Office of the Attorney General consulted by EL TIEMPO, there are numerous complaints alleging collaboration with the armed outlaw organizations by the departmental and municipal governments in those regions of the country.

"These complaints indicate the existence of economic and bureaucratic collaboration with the subversives," said one source. "In view of this, the Attorney General's Office has decided to send committees out to investigate what is actually taking place."

This newspaper has learned that, by order of Attorney General Carlos Gustavo Arrieta, the investigation will include not only the budgets of the aforementioned departments, but also a study of the manner in which the funds of some 10 or so municipal administrations have been invested.

"The idea is not to cast about haphazardly in every department and municipality seeking to determine how the insurgency is being aided from the administrative and budgetary viewpoints," said the source consulted by this newspaper.

"What we are going to try to do is review contracts, one by one, and pursue the sequel in each case. We shall do the same with regard to appointments of personnel."

In the departments where there are oil deposits, for example, the Attorney General's Office plans to audit each and every budgetary transfer made, and determine where the money ended up.

Aiding and Abetting?

"It is no secret to anyone," said our source, "that through these transfers, the local administrations are subcontracting with private firms or third persons. We are now going to try to determine how legitimate those firms actually are, and who those third persons are."

The strategy launched two weeks ago by the Attorney General's Office, in connection with the decrees ordering the internal shakeup, seeks to determine whether aid of any type is being given to the insurgency by the departmental and/or municipal governments; how this collaboration is taking place, whether economically or by way of jobs in the respective administrations; and whether there is some kind of regional dialogue with the outlaws of the FARC [Revolutionary Armed Forces of Colombia], the ELN [Army of National Liberation], or the group headed by Francisco Caraballo.

The attorney general's committees consist of lawyers drawn from the prosecuting offices assigned to Administrative Contracting and Contracting Sections. They will be coordinated directly out of Bogota.

EL TIEMPO interviewed the governor of Cesar, Lucas Gnecco, who is being investigated by the Attorney General's Office. He said that he himself had asked the attorney general to conduct this investigation.

"With regard to my administration, my political enemies have said that I am collaborating with the insurgency, and that I have conducted a dialogue with them. That is false. I believe that the subversion must be combatted, because they have no desire for peace," said the governor.

He added that a few days ago he sent a letter to the attorney general asking him to investigate the files and archives of the department and thus verify that no aid is being provided to the guerrillas.

* Economic Forecasters Predict Improvement in 1993

93SM0109A Santa Fe de Bogota SEMANA in Spanish 8 Dec 92 pp 60-62

[Text] *The analysts concur in their forecasts that 1993 will be a good year for exports and that the economy will grow in excess of four percent. By yearend 1993, the country's reserves could attain an unprecedented total of $10 billion.*

The yearend is approaching, and with it, the predictions. Not only on what could happen next year, but also on what is happening now. The country's dearth of updated statistics is such that, for most of the indicators, estimates must be resorted to, even for the year that is ending.

This is what the government and the country's different research centers have been doing over the past several days. In various academic forums, one after another, they have been presenting their balance sheets for the year that is now ending, and their cabalas on what might happen in 1993 if nothing extraordinary occurs.

And the fact is that, with rare exceptions, their results and projections are quite positive. The consensus is that, despite the many difficulties the country has experienced, the economy will grow over two percent this year, and could easily grow at double that rate in 1993.

The most optimistic estimates, of course, are those of the government, according to which, the economy could grow at a rate of over five percent in 1993. But even Fedesarollo [Federation for Development], whose forecasts have been characteristically cautious in recent years, thinks that the country's GDP [gross domestic product] is likely to post a 3.5 percent rise in 1993.

A sizable part of this growth—and there is agreement on this point as well—will receive its impetus from the export sector. After a relatively slack year in which exports suffered from the revaluation of the peso and the drop in international prices, foreign sales are expected to rebound in 1993.

According to the projections contained in the government's macroeconomic program, and to the estimates presented by the ANIF [National Association of Financial Institutions] and Fedesarollo during an institutional forum held last week by the South American Finance Corporation, 1993 exports could post a real growth of around 10 percent.

As for imports, it is assumed that the economic liberalization, whose full impact has yet to be felt, will bear its fruits in 1993, when industrialists will be able to import raw materials and capital goods, taking advantage of the lowering of customs tariffs. Even so, growth in the import sector will not be substantially greater than in 1992.

As a result, the country will continue strengthening its international reserves position. As of the end of this year, reserves will have reached over $8 billion. And should National Planning projections materialize with respect to foreign investment and financing, it would not be surprising in the least were reserves to reach the unprecedented total of $10 billion as of the end of 1993.

This growth of reserves could, of course, generate new economic policy management problems. This is especially true as regards inflation. The government is optimistic in this respect, however, and thinks that the rise of the price index in 1993 can be held to 20 percent.

Indeed, reasons abound for this optimism. Inflation in Colombia had been rising steadily until July of this year, when moderation began to set in. And this moderation has continued. According to the most recent DANE [National Administrative Department of Statistics] bulletin, released last week, it is unlikely to exceed 25 percent even in 1992.

Even so, prudence prevails. During a forum held last week by FAX REPORT, former Finance Minister Roberto Junguito Bonet, now a member of the Board of Directors of the Bank of the Republic, emphasized that the goal of the bank of issue—which by Constitutional mandate is currently responsible for curbing inflation—is to reduce the cost of living inflation rate to 22 percent next year.

Even this will require large-scale efforts. If the government, for example, fails to limit wage increases in the public sector to 24 percent, and permits a tax revenue shortfall in excess of 1.1 percent, it will be very difficult to attain this goal, says Junguito.

The private research centers concur in this assessment. They say, moreover, that even adequate fiscal management may not suffice to ensure attainment of official goals. Fedesarrollo, for example, deems that the price index will probably rise approximately 23 percent in 1993. And ANIF, the least optimistic among the forecasters, puts this rise at around 26 percent.

The reason, they say, is that, next year, several inflationary factors will come into play. These include, among others: a greater devaluation than that of 1992; a VAT [value-added tax] increase; a stabilization of interest rates; a rise in international prices of commodities; probable excesses of liquidity around the beginning of the year; and disappearance of the moderating effect of lowered customs tariffs.

In any case, the economic oracles appear to be speaking a more positive language than in past years. This could mean that, all objections notwithstanding, the government's model is working. And that all we need do now is hope that the projections will be fulfilled.

* Construction Sector Less Optimistic on Growth

93SM0111A Santa Fe de Bogota EL ESPECTADOR in Spanish 4 Dec 92 p 11A

[Article: "Construction Sector at Risk of Collapse"]

[Text] *The industry needs 900 billion pesos in 1993.*

The government's disordered performance in the financial sector threatens to wipe out the growth being registered by industrial sectors such as the construction sector.

Its monetary policy and credit control measures have not been sufficiently effective to consolidate the economic liberalization process, which, despite the intentions of the industrialists, has been unable to get off the ground.

Under these conditions, a growth objective of 5.4 percent, as set by the government, is unrealistic, as is also any expectation that the construction industry can maintain its positive growth cycle.

The alert was sounded by the Colombian Construction Board [CAMACOL] following an analysis of the economy's 1992 performance and of the government's 11th-hour forecasts for 1993.

In its analysis of the situation, in which it cites a total of 10.1 million square meters of authorized construction as of October, the end of the fiscal year, CAMACOL placed special emphasis on the lack of fiscal discipline.

"If the construction industry is not guaranteed around 900 billion pesos for 1993, the sector's current dynamic will be compromised, with the economy as a whole paying, through unemployment and reduced budgetary coverage, the price of the government's failure to understand the activity's revitalizing and macroeconomic role."

From January to October, the construction industry posted a growth of 27.74 percent, and for the fiscal year as a whole—that is, October to October—a growth of 34.02 percent.

The striking number of square meters for which building permits have been issued is concentrated in Santa Fe de Bogota, Medellin, Cali, Ibague, and the cities of the coffee belt. The capital of Tolima, however, is developmentally the most active, having registered an upsurge of 79.28 percent.

Bucaramanga, Cartagena, Barranquilla, and Pasto continued their negative performance.

During 1992's 10 months of the fiscal year, the construction industry was supported by loans totaling some 583 million pesos, provided by the UPAC [constant purchasing power unit] system. Through it, the savings and home loan corporations accumulated a portfolio of 2.5 trillion pesos.

"The present administration has achieved some successes in the management of the economy, but they are nevertheless insufficient to attain the levels of productivity and efficiency the country needs in order to match the competition in world markets," says Alberto Vasquez Restrepo, president of CAMACOL.

To achieve its goal of 5.4 percent growth of GDP [gross domestic product], the government will have to control the National Coffee Fund deficit, generate a surplus of 350 billion pesos in ECOPETROL [Colombian Petroleum Enterprise], reach an agreement on the pension system, resolve the crisis in the electrical sector, and set the Medellin subway projects in motion without further delays.

According to the builders, these are truly ambitious and complex objectives.

The government, CAMACOL adds, will have to assign more funds to the financing of the war against subversion, and meet the infrastructural investment and social spending goals indicated in its macroeconomic program.

The construction sector estimates that it will not be able to maintain its present level of growth in 1993, but that its growth rate will be positive.

The builders are concerned that home financing conditions may be altered through interest rate rises, and that uncertainty will continue for some time as to the new role the savings and home loan corporations are to fulfill as development banks.

Paraguay

Wasmosy Faction To Call for Party Convention

PY1101125293 Asuncion ABC COLOR in Spanish 11 Jan 93 p 5

[Excerpts] The [Colorado Party presidential precandidate Juan Carlos] Wasmosy faction will today use its majority on the executive board of the ANR [National Republican Association—Colorado Party], to force the party to call an extraordinary convention. This extraordinary strategy was formulated at noon on 10 January during a meeting at the home of Blas N. Riquelme, the president of the party, at which some members of the Wasmosy-Seifart ticket participated. The extraordinary convention will reportedly be held on 11 February.

The executive board of the Colorado Party will hold an extraordinary meeting at 1700 today to evaluate the current situation of the governing party. It has been learned that the Wasmosy faction will use its absolute majority within the party leadership to force the calling of an extraordinary convention to select a new electoral board.

This board will have to clarify the results of the Colorado Party's 27 December internal elections. The unofficial

results gave the victory to the [Luis Maria] Argana-[Juan Bautista] Ybanez ticket, but the Wasmosy-Seifart ticket did not accept that outcome and requested the annulment of the elections. [passage omitted]

Following a meeting on 10 January at the home of Riquelme, Julio Cesar Vasconcellos, a dissident of the [Gustavo] Diaz de Vivar-[Julio Cesar] Frutos ticket, reported that the executive board will meet today and that an extraordinary convention will be called for 11 February. [passage omitted]

Today's agenda establishes that in addition to calling an extraordinary convention, the executive board will also discuss Riquelme's report on the situation of the members of the party's Independent Electoral Board and the measures to preserve the archives of the party's internal elections that were held on 27 December.

Convention Scheduled for 14 February

PY1201022293 Asuncion RPC Television Network in Spanish 2325 GMT 11 Jan 93

[Excerpts] The most important piece of political news today is that the Colorado Party's extraordinary convention will be held on 14 February. The Colorado Party Executive Board reached the decision this afternoon during a special session. The extraordinary convention's purpose will be the reorganization of the party's Electoral Board. The motion to call the convention was presented by [Colorado Party vice presidential candidate] Angel Roberto Seifart at the beginning of today's session:

[Begin Seifart recording] It is essential that all issues submitted for the consideration of the party's Electoral Board be resolved by this board before any of the decisions can be appealed in court.

Thus, Mr. President, I ask the Executive Board to approve the report of the secretariat of the party's Electoral Board and move on to the second item of the order of the day so that we can discuss in depth whether it is appropriate to call an extraordinary convention in order to reorganize the Electoral Board, which is vital for the party. [end recording]

Seifart's motion to call the extraordinary convention was finally approved by 43 votes to 13.

Diogenes Martinez, Colorado Party Executive Board member and the legal adviser for the [Luis Maria] Argana-[Juan Bautista] Ybanez ticket, spoke out against the decision to call an extraordinary convention. He said that a political agreement is the only way to resolve the crisis:

[Begin Martinez recording] We see political agreement as the only solution. This agreement must be based on the acceptance of the primaries held on 27 December because there can be no negotiating of the popular will expressed in those elections. The primaries had a clear winner. This is not just our opinion. After counting 98 percent of the votes cast, with only five party precincts with a few votes to be counted, the party Electoral Board gave our ticket a lead of more than 6 percent, more than 26,000 votes.

It is not just us; it is not just Argana who is claiming victory; there are also the exit polls. The exit polls may, after all, not mean much, but the party Electoral Board already has counted the votes from 246 party precincts and recognized that we have a lead of more than 26,000 votes.

The thing is that they [the Juan Wasmosy-Seifart ticket] have managed to get inside the premises where the electoral registers are and they have manipulated those registers. They also wanted to manipulate the party Electoral Board and forced us to challenge several court members because we could not allow the popular will to be distorted by forged documents and a manipulated court. [end recording] [passage omitted]

The Colorado Party Executive Board's decision did not please a large group of members, who left the session very upset. The Argana-Ybanez ticket has announced that they will go to court over this matter.

[Begin Martinez recording] I believe that anything illegal should be taken to court. If we want the state of law to prevail in Paraguay, we must place the law above anything else. We cannot engage in whimsical interpretations of the law. We are not afraid of the 425 conventioneers. We are lawyers and law-abiding citizens, which means that we must comply with the law, and in this case the party statutes are the law. [end recording]

Candidates Oppose Possible Election Delay

PY1201022893 Asuncion RPC Television Network in Spanish 2325 GMT 11 Jan 93

[Text] As a result of the crisis in the Colorado Party, there is now talk about the possibility of postponing the presidential elections to be held in May.

[Colorado vice presidential hopeful] Angel Roberto Seifart said the Colorado Party cannot remain without a candidate, and if this happens, party members will indeed be angry.

In this regard, presidential candidate Ricardo Canese said the terms established by the Constitution are very clear:

[Begin Canese recording] What Seifart said is really a call to violate the Constitution. The Constitution is very clear; the elections must be held between 15 April and 15 May. Therefore, if there is a postponement it cannot be very long. The constitutional term is very clear. President Andres Rodriguez also made a commitment to hand over the government on 15 August; therefore, a postponement of the electoral schedule is unthinkable, especially a postponement that is not allowed by the

Constitution. Therefore, I believe we have to start on the basis of respecting the result of the party primary elections. [end recording]

Guillermo Caballero Vargas, National Encounter movement presidential candidate, disagrees with a postponement of the general elections. Caballero said the proposal made by Angel Roberto Seifart has no legal basis:

[Begin Caballero Vargas recording] Obviously, I believe the 9 May elections were clearly established within the constitutional precepts. Any talk about changing dates or postponements goes directly against constitutional regulations; therefore, this would mean encouraging a violation of the Constitution. This proposal cannot be considered; it has no legal basis. What I believe the Colorado Party should do is seek a solution to its internal problems through its own mechanisms. I also believe the party still has time. I believe that by calling an extraordinary convention the party can overcome this impasse. [end recording]

Domingo Laino, Authentic Radical Liberal Party presidential candidate, said the electoral schedule established in the national Constitution should be respected. He said any postponement of the general elections outside the constitutional framework is inadmissible:

[Begin Laino recording] Seifart also said the factual power [poder factico] is with them. I believe it is a shame that a politician believes he can govern by resorting to factual power. He should have said the majority of the people are with us because in democracy only the sovereignty of the people counts; only the people are the sovereign representatives who can legitimize and make official the candidates in any party. We believe that instead of making postponements or changing the electoral calendar, we should resort to the civic-military pact. [end recording]

Candidate Laino Fears for Election Results

PY1101152993 Asuncion ABC COLOR in Spanish 10 Jan 93 p 2

[Text] "The effects of the Colorado Party internal elections are a clear indicator of what may happen next May if the opposition wins the presidential elections," Domingo Laino said yesterday. Laino is presidential candidate for the Authentic Radical Liberal Party (PLRA).

Laino said that although the PLRA is the only political organization that has assumed with the greatest seriousness and maturity the commitment of making the transition end successfully—given that the PLRA has always prepared itself for assuming power through legitimate means—it is doubtful that if it wins the May general elections it will freely step into power.

"The PLRA has been serious and responsible during this transition stage. It is a party that constitutes a balancing factor of power during this delicate transition to democracy which, as we all know well, may lean to any extreme," Laino said.

"The latest events of the Colorado Party internal elections cause us to deeply reflect on the transition after nearly four years since it began. Of course several defects inherited from the dictatorship have been corrected, but the basic problem—handing over power to a legitimate winner—continues to be the underlying problem," he added.

The PLRA candidate also said that the attitude adopted by the current governors regarding the result of the Colorado Party internal elections makes us believe that if the opposition wins in May, there will not be a normal transference of power. "It is more probable that some maneuvers and sophisticated fraud will be implemented to prevent the change," he said.

Laino also said that the PLRA in a timely manner denounces situations that do not contribute to the consolidation of democracy.

"We have in a timely manner denounced military interventions in politics, corruption through the illegal accumulation of wealth by public employees, and the laundering of money obtained through drug trafficking, actions that sought to consolidate the permanence in their posts of those who are able to carry out a coup," Laino said.

The PLRA candidate said that those involved in illegal actions are leaders and operators in the official circle who socialize at parties with foreign diplomats, who in turn are making an effort to help our transition conclude positively. "Despite everything, given the conflicts within the Colorado Party, the results are not encouraging."

Laino said that in light of this experience, "the policy of friendly countries should change. They must seek to discourage partisan proselytism by contributing to a generous international fund and a better understanding of the democratic aspirations of the political parties with a true will to serve the common well-being of the people and not certain interests."

National Encounter, APT Form Alliance

PY1101161393 Asuncion NOTICIAS in Spanish 10 Jan 93 p 7

[Text] The National Encounter [EN] and the Asuncion for All [APT] political movements yesterday signed an agreement for an electoral alliance which will propose Guillermo Caballero Vargas and Maria Victoria Brusquetti as the presidential and vice presidential ticket for the general elections scheduled for May 1993.

The alliance was signed by Caballero Vargas and Brusquetti for the EN, and Carlos Filizzola representing the APT. They reaffirmed their desire for agreement among the grassroots of the two movements.

Filizzola stressed the unity with the EN and added that in this way a valid option will be reached for the May general elections to bail the country out of corruption and achieve true social justice.

Presidential candidate Caballero Vargas asked his followers: "Let us not be arrogant. Our greatest strength is our humility. Let us be strong but humble." He added: "Tolerance and respect must be the basis of our greatest fortitude. We must recall that all Paraguayans need one another because only in this manner will we be able to win the elections in May."

Concerning the unity between the EN and APT, he said: "These movements represent the forces of democracy which unite in an effort to overcome ignorance, sickness, corruption, and poverty, and to begin a shining future of progress and development, liberty, justice, and social equity which will consolidate the victory of the Paraguayan people in May 1993."

Filizzola stated: "Our country and the citizenry want unity and the joint effort of the democratic people who seek the consolidation of the democratic process, especially the eradication of corruption which for so many years has harmed us."

Many followers of the two movements were present at the ceremony which substantiated the unity to face the general elections.

Even though the two movements will support the same presidential ticket, the lists of senators, deputies, governors, and members of the departmental boards will demonstrate the fruit of the alliance.

Editorial Notes Force of New Public Opinion

PY1101194493 Asuncion NOTICIAS in Spanish 11 Jan 93 p 10

["Editorial" entitled "A New Phenomenon"]

[Text] The ominous rumor of a coup d'etat, or just a coup, that created a climate of nervousness during the year-end celebration ended up being just that, a rumor. Many people say the coup was neutralized thanks to the U.S. Embassy communique, which apparently was released just when the fuse was about to be lit. Others think the rumor was disseminated to scare, in some cases, and to disarm, in other cases, those who have the tendency to think in armed solutions—and who still live among us—and to discourage the most daring ones.

Whatever the explanation, there is a reason that was scarcely mentioned and that is perhaps the most solid argument to prevent the crazy adventure of a coup. Because there is something new in the country: the real force of public opinion that has learned how to make itself felt, generating an energy equal to that created by the media, which has had a large qualitative and quantitative growth since 1989 and is still growing.

The two forces are inseparable—more abundant and better information and society's more mature awareness of its degree of involvement in national events. This combination has created, perhaps for the first time in our country's history, a solid and alert public opinion, without being shy to comment and showing the euphoria of a people who have at last escaped from a long period of silence.

Our historic tradition has taught us to prudently take refuge in our homes and to stock food when weapons thunder in the fields and soldiers and militias rule the streets. Such a passive attitude is unthinkable today because the awareness has been created that the streets belong to the people, and all republican organizations require that people participate or it is not valid. Besides, no one today thinks of the legality, the permanence, or the acceptance of any military or armed solution to the larger questions affecting the nation.

This is because our public opinion lives. It is no longer acceptable to step to one side or keep your mouth closed before a military rank or a civilian position. In other words, large or small solutions are no longer in the barracks. The strongest argument no longer considers arms as a valid element.

Those who study our civic culture have a lot of material to analyze to explain this new attitude with scientific thoroughness. What we are witnessing, however, proves there is a change in attitudes in the country due to the appearance of an increasingly autonomous and stronger public opinion. Anyone thinking that all this can be reversed and that we can return to the incontestable military arbitration of past eras should take into account that the experience might hurt them because they will be marching on a collision course with two powerful forces: public opinion, and going a little further, against history itself, which has changed here along with the rest of the world.

Itaipu Binational Agency Director Resigns

PY1101194893 Asuncion ULTIMA HORA in Spanish 6 Jan 93 p 10

[Summary] Salvador Oscar Gulino, director general of the Itaipu Binational Agency, has tendered his resignation to Porfirio Pereira Ruiz Diaz, minister of public works and communications, for "strictly personal" reasons. Miguel Luciano Gimenez has been appointed to replace Gulino.

Itaipu Administrative Director Hugo Enrique Gomez and Technical Director Jose Szwako also have handed in their resignations for personal reasons.

Peru

Government Decree Simplifies Tax System

PY0801194393 Lima EL COMERCIO in Spanish 25 Dec 92 p A1

[Text] Through Decree-Law No. 25988, the Peruvian Government has rationalized and simplified the current tax system and eliminated a number of privileges, surcharges, and unproductive or misused taxes.

The simplified tax system now consists of the following taxes:

1. For Central Government
A. Income Tax
B. General Sales Tax
C. Selective Consumers Tax
D. Tax on Business Assets [Impuesto al Patrimonio Empresarial]
E. Customs Duties
F. Rates for payment of public services, including those involved
in administrative paperwork.

2. For Local Governments:
Those established by law.

3. For Other Purposes
A. Contributions for social security, if appropriate.
B. Contributions to the National Housing Fund.

The decree-law establishes that all other taxes have been repealed, even if their names or purposes are different from those specified above. It has been added that taxes stemming from the exploitation of natural resources through concessions and related procedures will be governed by their respective laws.

Attack on Moyobamba Leaves More Than 15 Dead

PA0901190893 Lima Radio Programas del Peru Network in Spanish 1735 GMT 9 Jan 93

[Text] More than 15 people were killed as a result of an attack on the city of Moyobamba by terrorists of the Tupac Amaru Revolutionary Movement on the night of 8 January. The terrorists attacked the municipal building, the police station, and the Moyobamba prison to free subversives being held there. Two national policemen from the Criminal Investigations Department and a civilian identified as Sonia Morais Alvan were killed. After this attack, joint Army and police forces pursued the terrorists and were ambushed in (Asungue). Four policemen, four soldiers, and approximately seven terrorists died in (Asungue).

Military Establishes Bases Around Lima

PY0901112893

[Editorial Report] Lima EXPRESO in Spanish in its 27 December 92 edition carries, on pages A2 and A3, a 600-word article by Felipe Gamonal entitled "Army Installs 20 Antisubversive Bases in Lima," stating that 20 military bases have been established recently in the most "forgotten" Lima provinces to combat the estimated 400 "terrorists" who remain operating in the area in groups of four or five.

The article describes the effect of the security forces' presence in the Navan district, which had lacked civilian authorities for the last five years due to fear of terrorists. Navan's inhabitants now are preparing to hold elections, reports General Oscar Tramontana Monge, chief of the 8th Army Infantry Division, in charge of the antisubversive struggle in Lima Department's nine provinces.

Military action consisted of raids and patrols of access roads around Lima during which the Army arrested almost 1,000 people without documents, including several "subversives" and common criminals. Thus, the article states, the alleged "subversive circle around Lima" has fallen because the "terrorists" can no longer enter or leave the department.

The military action was not limited to the arrests; it also consisted of providing civic services to bring military personnel and civilians closer. The Army distributed tons of basic foods and thousands of school books.

The military presence, the article continues, also has demonstrated that the settlers, with help, can organize their own defense. There are 150 peasant patrol members in Huarochiri, 250 in Quinches, 200 in Paccho, and 100 armed horsemen in Cajatambo.

Authorities Incinerate Four Tons of Drugs

PA0901173993 Lima Global de Television Network in Spanish 0000 GMT 9 Jan 93

[Text] Drugs with an estimated value of approximately $100 million on the international market were incinerated on the morning of 8 January at Barbadillo Farm. They add up to over four tons of hycrochloride of cocaine, basic cocaine paste, and marijuana seized by the police in different operations since July 1992. The first incineration of this year, organized by the Executive Agency for Drug Control, Ofecod, was carried out in the presence of Interior Minister Juan Briones, [in his capacity] as president of the Multisectorial Drug Control Commission. Also attending were the narcotics police chief, a Supreme Court member, and representatives of the Attorney General's Office. Ofecod Director Jesus Laso Acosta reaffirmed his commitment to continue the head-on fight to control the drug trade.

[Begin Laso recording] The Interior Ministry, through the Ofecod, is fighting that criminal offense called drug trafficking with an effective policy, a truly effective policy, gentlemen, and actions aimed at implementing the four objectives mentioned in the general drug law. [end recording]

The content of each sack was weighed and analyzed. Afterward, the sacks were thrown one by one into the incinerator to be completely destroyed. The amount of drugs burned is the largest in recent times, which shows the results of operations in cocaine producing regions. The interior minister felt the critical situation drug traffickers are facing is putting an end to their support for terrorists, who are now using new sources of financing.

[Begin Briones recording] The terrorists of the Tupac Amaru Revolutionary Movement and the Shining Path had ties to drug traffickers. They obtained their revenues from extortion money or the pressure they exerted on peasants or drug trafficking gangs. Since we are acting in a tough and decisive manner, they have lost this source of income. That is why you see Shining Path members targeting the banks. My advice is we should reassess the situation to block the narcoterrorists' access to sources of income. [end recording]

Drug Traffickers, Shining Path Use New Routes

PY0801200293 Lima EL COMERCIO in Spanish 27 Dec 92 pp A1, A12, A13

[By Miguel Ramirez Puelles of the EL COMERCIO Investigative Unit]

[Text] Drug traffickers and their Shining Path allies have dangerously deployed their operations to other Upper Huallaga settlements and are using new routes to send drugs abroad. This is the result of the measures adopted lately by the forces of order, despite serious limitations.

According to military and police sources and several reports collected by EL COMERCIO, drug traffickers have been operating frequently in Sion, Campanilla, Aguaytia, Biabo River, Monzon, and Saposoa.

The problem's serious aspect, however, is that signs of Shining Path cooperation with the drug traffickers in these actions have been detected in these settlements, thus confirming again the close ties binding these two groups. Shining Path members charge the drug traffickers $15,000 to $20,000 to protect them and to allow small planes carrying drugs for shipment abroad to leave the region.

The Shining Path, however, wants to increase these prices by $10,000. This has been causing bloody clashes between the two groups, such as the one that recently occurred at a settlement near the Balsayacu and Huallaga Rivers in Tocache.

Air Control

The drug traffickers have stopped operating at important airports such as those at Uchiza, Tocache, and Juanjui because the Air Force has occupied them and now is controlling the air traffic.

The 30 flights that left these airports daily have been reduced to barely 10, only four of the nearly 12 companies continue operating at these airports, and ticket prices have dropped from $170 to $50.

As the security forces in charge of the antidrug fight began new operations in the Upper Huallaga, the drug traffickers also began to centralize their actions in the new regions and open new routes to send the drugs abroad.

Tocache, Uchiza, Juanjui, and Tananta, which used to be the main drug-trafficking operation centers, have been replaced by Sion, Campanilla, Aguaytia, Biabo River, Monzon, and Saposoa.

According to reports heard by EL COMERCIO, the presence of Shining Path members also has been noticed in these regions, thus showing that there is an alliance between the two groups.

The reports also indicate that the Shining Path now charges the drug traffickers $15,000 for protection or to allow a small plane carrying 500 kg of cocaine paste to take off from these airports, and $20,000 for each two-engine plane, which can carry as much as 900 kg of cocaine paste.

Airstrips on the Marginal Highway

The drug traffickers, helped by the terrorists, have been opening clandestine airstrips in sites near these regions and have even been using the Marginal Highway as a landing site. Most of these modified airstrips are located at Sion, Aguaytia, and Crisnejas, near Uchiza.

Apparently, the drug traffickers have widened some 70 stretches of the highway, measuring 1,000 meters each, to use them as landing sites for the small planes. The security forces cannot destroy these stretches, otherwise they will be closed to vehicle traffic also.

The drug traffickers have been forced to adopt these measures in view of the steps being taken by the forces of order, particularly the Air Force security measures and the strict air control enforced since almost four months ago at strategic airports in Huallaga, where planes landed and took off at any time of the day without being subjected to any control.

The Uchiza, Tocache, and Juanjui airports were among the uncontrolled ones. More than 12 private airlines had from 20 to 30 flights per day to these airports and the average ticket price was $170. Currently, there are only four permanent airlines in these airports, the number of flights does not surpass 12 per day, and the most expensive ticket costs $50.

Although the Saposoa Airport has become one of the drug traffickers' main operation centers, the Air Force is not controlling it for lack of infrastructure and logistical support. At this airport, EL COMERCIO reporters were surrounded by a group of alleged drug traffickers and saved by the providential landing of an Air Force plane.

Police and Air Force sources have reported that drug traffickers in the Upper Huallaga supported by the Shining Path are using new routes to ship drugs abroad.

The following new routes have been detected:
One begins at the Saposoa and Uchiza clandestine airstrips. Small planes land there and take cocaine paste to some mini-airstrips some five miles from the Huanchaco Airport, which is located midway between Trujillo and Chimbote. From there, the drugs are transferred to modern two-engine planes with extra fuel tanks that can fly up to eight hours at 30,000 feet. These planes take the drugs to clandestine processing laboratories in Guayaquil. These shipments are also taken to this Ecuadoran city by sea.

Flights to the Brazilian town of Cruzeiro do Sul also leave from Saposoa and Uchiza.

Another route begins at Campanilla and Sion, from where the shipments are sent to Colombia and the Amazon Trapezium [not further identified]. Sometimes, modern planes with modified fuel tanks come from Colombia to take the drugs swiftly from these towns to Colombia. The drugs taken to the Amazon Trapezium are usually carried by Peruvian small planes.

The drugs shipped from Sion in the last few months have come by boat along the river from Uchiza, Paraiso, and the Limon River.

Aguaytia has become an extremely important drug-producing center. From there, the drugs are sent to Uchiza and Saposoa and then directly to either Colombia or Guayaquil.

A large amount of drugs is also sent from Huallaga by highway to Lima, where it is either used for personal consumption or processed into cocaine hydrochloride.

This explains the arrest of several people at checkpoints and at Jorge Chavez International Airport.

'Special Report' on Coca Plantations

PY0801224593 Lima EXPRESO in Spanish 25 Dec 92 p A12

["Special Report" by Liz Mineo from the Upper Huallaga: "While Policies Fail, Coca Prospers"]

[Text] Five years ago, Yurimaguas residents used to go to bed at 1900, as in any other small poor township in the Selva region. Today Yurimaguas is a prosperous, sleepless city, because it is one of the new coca centers.

Like Yurimaguas, many other cities have overcome anonymity and poverty thanks to the "magic" of the coca leaf. Aguaytia, Juanjui, Huimbayoc, Sion, Saposoa, Alto Mayo, and Ponaza are cities that have replaced the old coca empires. A farmer said: "Now you can find it in places where people did not know about it a year ago. On every farm, you can find at least a small plant."

Although coca is widely cultivated in the area, it is not easy to spot it. Coca plantations are usually located far away from cities, well inside jungle areas. Besides, few people will openly admit that they are growing coca; most of them prefer not to talk about it. A thirsty but careless city resident who walks into a store and asks for a "coca" (instead of a "Coca-Cola") will be looked upon with suspicion.

The presence of coca is, however, easily visible in some areas. On the road from Santa Lucia to Uchiza families usually dry their coca leaves in the sun, and it is not unusual to run into men carrying loads of coca on their shoulders or on mules.

Through coca profits, impressive houses and assorted stores have been erected in small villages—in which water and electricity are available all day long—amid wild vegetation. It is not unusual to see a poor peasant woman pay for her bus fare with dollar notes retrieved from her dollar-padded bra. A peasant woman said: "Had it not been for coca, we would be poor today."

Spreading Coca

Because they yield large profits, coca crops have spread throughout the entire region, despite the devastating action of the fungus fusarium oxisporum. Alberto Lopez Maldonado, general coordinator of the Upper Huallaga Coca Eradication Front, said: "It is true that coca crops have declined in some areas, but it has increased much more, a lot more, in other areas." Statistical data support this assertion.

According to the Upper Huallaga Coca Control and Reduction Agency (Corah), coca crops totaled 211,500 hectares nationwide in 1991 and 210,000 hectares in 1990.

The DEA, the U.S. antidrug police, has also reported an increase in coca plantations between 1990 and 1991. The DEA figures are, however, more moderate: 121,800 hectares in 1991 compared to 120,300 hectares in 1990. The DEA estimates that coca crops have increased by more than 10,000 hectares in the past five years.

A senior U.S. Embassy official said: "In fact, we have failed to reduce coca production despite our efforts and those of the Peruvian Government."

Furthermore, the area in which coca crops are produced has expanded remarkably. Ten years ago there were coca plantations in only three departments. Today there are coca crops in 15 departments.

Coca plantations have spread like an oil slick. According to the organization known as Support for the Upper Selva Development Policy [Apoyo a la Politica de Desarrollo de la Selva Alta] (Apodesa), in 1990 the area under coca cultivation totaled 41,980 hectares in the Apurimac River valley, 13,370 hectares in the Ene-Perene valley (Ucayali, Huanuco, and Pasco), 10,775 hectares in the Sandia-Inambari area (Madre de Dios

and Puno), and 9,030 hectares in the San Ignacio-Jaen-Bagua hinterland (Amazonas). The story of coca expansion is a dramatic paradox.

Backfiring

The expansion of the coca plantation area has occurred amidst a fierce eradication campaign. Lopez Maldonado said: "All that was achieved through the eradication of coca plantations was an increase in coca production."

Corah eradicated 18,000 hectares of coca plantations from 1983 to 1989. Beginning in 1990, complying with orders from the government, Corah began to destroy coca nurseries (seedlings). It destroyed 244,105 square meters of seedlings in 1990 and 214,883 square meters in 1991. Corah reported that this effort prevented the cultivation of 43,735 hectares of coca. Scarcely 1.1 hectares of coca nurseries may have been destroyed in 1992. Corah officials admit their failure in reducing coca production.

Because of its failure, after 12 years of effort, Corah has recently decided to change its objectives.

Speaking at the symposium Integration for Development in the Upper Huallaga, held in Santa Lucia, Corah Executive Director Juan Arce Bacigalupo admitted that serious errors had been committed over the past decade of the antidrug fight "in adopting repressive policies and strategies."

Corah Administrative Director Santiago Trujillo said that from now on the organization will seek to promote the integrated development of the region to eliminate the drug trade. Yet it may be too late for that.

Because of its past actions, coca growers do not view Corah favorably, and do not believe in future changes. "For 10 years they have done nothing but repress and deceive us. It is now too late to change," a coca grower said.

Unfinished Substitution

It seems as though the Upper Huallaga Development Program (PEAH), which was created by the government in 1982 to promote substituting coca with alternate crops, has better prospects. Up until recently, however, the PEAH has done very little or nothing to fulfill its mission.

For 10 years it has not promoted any serious coca substitution project. "We realized that there really is no crop that can be substituted for coca," Teodomiro Quiroz, PEAH official in Tingo Maria, said. Coca is irreplaceable for the peasants, not only because of its profitability, but also because it has a guaranteed market. "Buyers go to the farms to get the coca. If I plant any other crop, I must get it to market and spend money transporting it. This does not happen with coca," a peasant says.

For this reason the alternative crops are not effective. A few years ago a United Nations development program promoted the cultivation of annato seeds in areas were coca had formerly been planted. Teodoro Doria was one of those who accepted planting this "alternative crop" on his farm, located on the outskirts of Tingo Maria. "I harvested 500 kilos of annato seeds. I had to throw everything away, because no one wanted it. Out of anger I burned my entire plantation and sought work as a driver," he said.

In the past two years however, farmers have been more receptive to the alternative crop projects.

"Three or four years ago it was impossible to convince a peasant to plant manioc or bananas instead of coca, due to the price difference and the lack of a market," Cesar Lozano, Tocache PEAH area chief, said. However, given the devastating action of the fungus on the coca plantations, the peasants are more willing to plant other crops.

"We live in the fields. If coca cannot be planted, we must plant something else," the peasants say.

Since last year PEAH has sponsored the planting of manioc, bananas, and other crops, together with a complete promotion program which includes the installation of fish farms, financing for agricultural industries, technical assistance, road maintenance, construction of potable water facilities, and so on.

However, a complete policy for regional development is still needed. Otherwise, coca will continue to be the master of the jungle.

venezuela

Court Martial Indicts 81 for Coup Attempt

PA1101173493 Paris AFP in Spanish 1520 GMT 11 Jan 93

[Text] Caracas, 11 Jan (AFP)—The Court Martial that is conducting summary and secret trials of 240 soldiers for participating in the 27 November coup attempt, the second such attempt faced by President Carlos Andres Perez in 1992, on the evening of 10 January filed charges against 81 accused soldiers, defense attorneys reported on 11 January in Caracas.

Among those indicted are Manuel Quijada, former Christian Democrat development minister, and intellectual Jose Antonio Cova.

The special court—against which an unconstitutionality suit was filed before the Supreme Court of Justice and no ruling has been yet issued—filed charges against those persons being held in San Carlos Garrison, a political prison in downtown Caracas, despite the fact that only 35 accused soldiers attended the hearing. Meanwhile, other accused persons refused to attend the hearing because they have not testified regarding the consideration of the illegality of the court actions.

The court declared the 46 absent persons in contempt and filed charges against all of them for the crime of military rebellion, sanctioned with prison sentences ranging from 24 to 30 years. A defense attorney appointed by the court was named for those persons who did not attend.

Perez ordered the special trial on 28 November and asserted that the process would not last more than 12 days.

However, the trial has not progressed beyond the preliminary testimonies of 50 accused persons, some of whom may be dismissed, according to judicial sources.

The defense attorneys of coupist officers have denounced the processes as violating the existing legal procedures "and the government taking dictatorial-like measures."

* Repercussions of Foiled Coup in Provinces

93SM0103A Caracas EL DIARIO DE CARACAS in Spanish 28 Nov 92 p C18

[Article by Marielia Gonzalez, Isabel Fornez, Ruben Wisotzki, and Luis Martinez]

[Text] The principal cities in the country are faced with disturbances among the people, clashes within the military, and the calm that prevails before the storm. The mayor of Guarenas was ousted by a priest and the commander of the National Guard.

Early in the evening, it was learned that the rebel actions at the Libertador and Antonio Jose de Sucre Air Bases in the state of Aragua had apparently been brought under control, EL SIGLO journalist Gregoria Diaz reported. "The situation at the Palo Negro Base (Libertador) seems to be under control, and there are no planes to be seen now. However, there is sporadic gunfire."

It was reported that about 80 light tanks were dispatched from Valencia toward this base to support the forces loyal to the government. The other base, Antonio Jose de Sucre, located on the route between Mariara and Guacara, was the site of major clashes. They occurred in the vicinity of the IUPFAN, and also in Ovallera. In this nearby area, three individuals lost their lives, reportedly one child and two adults, who were presumably killed by bursts of gunfire from the light tanks. Two individuals in the military, a lieutenant and a soldier, were also reported killed. The rebel action was commanded by Air Force General Visconti at the Libertador Base, and the rebel commander at the Sucre Base was Colonel Guerrero.

In Maracay, the atmosphere was tense, and there was a spate of nervous shopping. In the Cana de Azucar housing development, UD-15, barricades were constructed and a number of sharpshooters appeared. There were demonstrations in the city itself, and in the El Limon district, where the Faculty of Agronomy and Veterinary Medicine is located, barricades were also constructed. The same was the case at Bolivar and Toro Squares. By noon, the situation was under control.

There were some centers of violence in the Las Penitas district in the state of Miranda, as well as demonstrations that blocked the Central Region Highway. There were also disturbances in Cartanal and Ocumare del Tuy.

It was reported in Barquisimeto that three Bronco aircraft flown by the rebel forces were shot down while attempting to attack two F-5 aircraft. And in that same city, the atmosphere was one of complete calm. There were no student disturbances, and it could be said that no one paid any attention to the rebels' appeal.

Meanwhile, in the eastern part of the country, there was calm throughout the day. In Cumana, no disturbance of any kind was noted. And, coincidentally, this town is celebrating the 477th anniversary of its founding. The allegorical ceremonies were postponed, of course. Some commercial establishments opened for business without incident.

In Puerto La Cruz, Maturin, and Margarita, as well, the situation was one of total calm, so that the tourists could enjoy an uneventful day.

The situation was calm in Zulia, except for minor disturbances in the university sector. They occurred near the Faculty of Humanities and in the Maicaito neighborhood. During the student demonstrations, a food truck belonging to the Souto enterprise was set afire. Public transport functioned normally, and patrols circulated throughout the town informing the population about the curfew and the other government orders. Police reinforcements were noted only in the military zones. Governor Oswaldo Alvarez Paz went ahead with several items on his political agenda.

In Tachira, the situation was like that in Barquisimeto.

In Merida, on the contrary, students and the general citizenry poured into the streets during the morning to demonstrate support for the rebels. They gathered in Bolivar Square, where the crowd was rapidly subdued by the National Guard and the Metropolitan Police. By about 1300, the situation was under complete control. Late in the afternoon, the police patrolled the streets and stationed guards at the government buildings and mass-media premises. Nervous purchases of foodstuffs and gasoline led to the formation of long lines. More than 20 individuals were arrested, but by the end of the day, the atmosphere could be described as entirely calm. On the other hand, the most critical situation seen during the morning occurred in Los Teques. At about 1100, disturbances began to be created by groups of individuals from La Matica. They gathered at the Los Teques Lighthouse and in La Hoyada. There were attempts to plunder goods at the Madereinse Commercial Center and at the commercial center in La Hoyada itself. The state police were

able to bring the situation under control. There were no reports of injuries or deaths occurring in connection with the disturbances.

Beginning at 0700, bursts of FAL rifle fire began to be heard in Guarenas, and there were looting attempts at the Miranda Commercial Center in Nueva Guarenas.

A demonstration developed, but it was brought under control. The people in Menca de Leoni, who supported the Bolivarian Movement, constructed barricades and removed sewer covers in order to hinder the movements of the police. There were no disturbances of any kind in La Guaira. Public transport operated at half-capacity, and business establishments remained closed. It was learned that the mayor of that municipality, Tito Cardozo, was ousted in a joint action carried out by the commander of the National Guard, Jose Arcon, and Monsignor Benito Perdomo. EL CORREO DEL CARONI in the state of Bolivar reported that the National Guard was patrolling the streets, since there were small centers of disturbance in Ciudad Bolivar. However, relative calm prevailed in the state as a whole.

* Civilians, Military Expected To Support Coup

93SM0102B Caracas EL DIARIO DE CARACAS in Spanish 29 Nov 92 p C15

[Article by Fabiola I. Sanchez]

[Text] It was hoped that, as a result of secondary actions on the part of civilians and military personnel without any connection with the subversive movement, the 27 November coup d'etat would succeed, sources told EL DIARIO DE CARACAS. The actions carried out last Thursday were an extension of those that had been planned for 4 February but could not be carried out fully on that occasion.

The subversive military and civilian personnel who took part had close links with members of the Bolivarian Revolutionary Movement 200 (MBR-200). They organized all of their actions in a continuing effort to achieve the goals established for 4 February. Our sources indicated that the operations were planned by people in the civilian sector (Bandera Roja [Red Banner] and Tercer Camino [Third Path]) and Venezuelan Air Force personnel. The actions planned were focused on Maracay and Caracas.

"The targets were operational in nature. The operational personnel were midlevel Air Force officers who had an affiliation with the Bolivarian Revolutionary Movement 200, but were unable to take any effective action on 4 February.

"In their efforts, they made use of the same surprise factor as on 4 February. By means of the planes, the communiques, and the seizure of television channels, they hoped to make the conflict more widespread. As an alternative objective, they tried to exacerbate the division existing among the officers and to motivate them to join with the civilians in carrying out the coup d'etat. On this occasion, the civilian movements were working with the people at the Liberator Base in Maracay who were members of the 5 July Movement."

Our informants assured us that the coup was not intended for execution under these circumstances. The actions "needed to be speeded up," since the DISIP [Directorate of Intelligence and Prevention Services] and the Military Intelligence Directorate (DIM) had already learned about a part of the operations, and had identified some of the members of the movement.

We asked about the strategic goals established on this occasion.

"This was an operation limited to tactical objectives. There were none of a strategic nature. The objectives were reduced to the operational aspect. The major goal was the coup d'etat, but it was not believed that they could bring it off by themselves. Rather, it was presumed that operations involving the civilians and the military personnel would be radicalized when the planes took off and attacked, when the communiques were issued, and when the television broadcasts were seen and heard."

This response failed to occur, because the people were not properly prepared for this kind of thing. The actions should have been carried out by the collective as a whole. It is the task of civilian society to manifest this desire, and the military operations come later. Here, very carefully focused military operations were carried out.

What was wanted was to create a dichotomy within the military forces very much like what existed on 27 and 28 February, rather than to attack civilians. The perpetrators of the coup established as intermediate goals the seizure of the Venezolana de Television [Venezuelan Television] installations; to block all of the channels, in order to motivate the masses and to weaken the image of the government in the eyes of the people; to destroy the runway at La Carlota so as to cut off the access of the loyal troops to the interior; and to keep the image of the MBR-200 and Hugo Chavez alive among the people.

If the operation were to fail, these forces would try to persuade the people to abstain from voting on 6 December. We asked our interlocutors why the aircraft had focused their attacks on Miraflores and the La Carlota Air Base.

"What was wanted was to generate anxiety and tension. The rebels used the same surprise factor and then tried to prolong the situation in order to weaken the government. They wanted all of the actions reported by the media, so as to strengthen them and make the operation a massive one. The air corridor needed to attack Miraflores was not available to the pilots, and so a lateral action had to be planned in order to attack the Miraflores building and emerge on Bolivar Avenue. The only way of being certain of a directa hit on Miraflores was massive bombing, but there was the danger of damaging civilian

targets. It was feared that the government would utilize such actions to discredit the subversives.

We were assured that the DISIP was a target because "it is a highly repressive agency" of the state that "has manipulated information." It has also, our sources noted, created anxiety within the military organization. "The discontent of the military with the DISIP has been intensified by the presence of the 'Commissioner General' (Manuel Heinz Azpurua) in this body." We asked why those in the military who planned the subversive action sought the support of the Bandera Roja and Tercer Camino people.

"The MBR-200 sought the support of the groups that have challenged the civilian system and had succeeded in infiltrating various urban sectors. They were needed to incite the masses to join the subversive military personnel, and also to bring in the military personnel who were not involved in the plans for the coup.

* Summary of Events Leading to 2 Coup Attempts

* 4 February

93SM0107A Caracas EL DIARIO DE CARACAS in Spanish 28 Nov 92 p C14

[Article by Eva Maritza Riera]

[Text] *The abortive military coup that took place on 4 February was preceded by countless student demonstrations in the country's main cities, strikes by teachers and court workers, and clumsy statements concerning Colombia and Venezuela's sovereignty over the Gulf.*

They tried it again. The Revolutionary Movement 200 kept its promise of "for the time being" made by Major Hugo Chavez Frias on 4 February. This time, the causes are related to the lack of political will to achieve the transformations that were also promised during the days preceding the first attempt. This is the gist of statements made by members of a group which goes by the name Bolivarian Movement 200 who took over the facilities of Channel 8 early yesterday morning and called upon the entire country to revolt.

Among the promises never kept: the reforms needed to make the National Constitution a modern legal instrument; to that effect, the convocation of a National Constituent Assembly; an immediate halt to administrative corruption; compensatory economic measures for the working class hard hit by the economic package; and stabilization of the price of gasoline.

The following is a chronology of events leading to the 4 February coup attempt. It speaks for itself.

23 October 1991: Faced with persistent rumors of a coup d'etat, Minister of Interior Alejandro Izaguirre denies the existence of any plan to overturn democracy. That same day, ADECO [Democratic Action] leader Hector Alonso Lopez says: "I am convinced that for some time now, the country has been suffering from a kind of insensitivity to many things that destroy the people's confidence in democracy."

11 November 1991: Mario Moronta, assistant bishop of Caracas, states: "I believe that we are walking on a powder keg that could blow up at any time, given the slightest spark. It has not done so for many reasons, one of them being that there is no leader to say, 'Let us do this and things will change.'"

21 November 1991: President Carlos Andres Perez (CAP) tells the press: "There will be no states of emergency or any suspension of guarantees. Everyone in Venezuela knows that that is impossible, that these are things that used to occur."

26 November 1991: The chief of state once again denies and emphatically rules out any attempted military coup, claiming that such rumors in themselves constitute "an offense against Venezuelan society, which knows that the country's future lies solely in democracy."

2 December 1991: Writer Arturo Uslar Pietri once again warns the government about discontent in the military and declares in the First Phase program that it "would be idiotic to deny the possibility of a coup."

4 December 1991: Minister of Interior Alejandro Izaguirre admits that "the situation in the country is quite serious."

16 December 1991: The president guarantees that "coups used to take place in Venezuela when Uslar Pietri was a politician." "No one should fear a coup d'etat. There is no discontent in the National Armed Forces (FAN)."

4 January 1992: Humberto Celli, president of the Democratic Action (AD), urges Perez to implement measures providing compensation in the form of subsidies to the unemployed, piece workers, and all persons covered by collective contracts.

8 January 1992: The Office of Attorney General orders an embargo on a shipment of grenades from Spain belonging to the Margold Company owned by Orlando Garcia and Gardenia Martinez. Margold has a trial pending for failure to deliver a load of grenades paid for by Venezuela, but not for the delivery of weapons purchased as part of the Overall FAN Purchasing Plan.

10 January 1992: The president removes six Cabinet ministers and says the package will continue. An investigation begins of seven Navy officers allegedly involved in corruption. At the end of the day, Perez announces the construction of a port in the Gulf of Venezuela in order to reaffirm national sovereignty over the zone.

12 January 1992: The Colombian Government tells the Venezuelan president in response that "a port on the Gulf of Venezuela will not alter Colombia's rights in an area whose sovereignty it disputes with Venezuela."

13 January 1992: President Perez declares that "I have always said that we do not dispute Colombia's rights in the Gulf of Venezuela."

14 January 1992: The Colombian Foreign Ministry issues a bulletin expressing its satisfaction with Perez's recognition of Colombia's rights over the Gulf of Venezuela.

17 January 1992: The National Government rejects a proposed wage increase and issues an order whose confusing wording states that only the Executive has the power to increase wages.

20 January 1992: Court workers and Hidrocapital employees begin strikes.

26 January 1992: The social and political climate is tense because of numerous student strikes in the country's main cities, the announcement of an imminent teachers strike, and statements by President Perez reiterating Colombia's "minimum and insignificant" rights over the Gulf.

28 January 1992: A national teachers' strike begins, while 13 students arrested and accused of being subversives [encapuchados: hooded ones] begin a hunger strike.

30 January 1992: The National Government threatens to raid the UCV [Central University of Venezuela] if the disturbances continue. On the other side of the border, Colombian Foreign Minister Nohemi Sanin says the Gulf of Venezuela could also be said to belong to Coquivacoa without there being any political or geographic consequences.

2 February 1992: Carlos Andres Perez completes three years of his term while in Switzerland attending an annual economic conference with chiefs of state and economists. The teachers strike continues and there is a report that the price of medicine has risen 16.58 percent.

4 February 1992: An attempted coup takes place when the Venezuelan president returns home.

* 27 November

93SM0107B Caracas EL DIARIO DE CARACAS in Spanish 28 Nov 92 p C16

[Article by Gabriela Zavatti]

[Text] 4 February 1992: First coup attempt against government of President Carlos Andres Perez (CAP). Constitutional guarantees suspended.

5 February 1992: Venezuela, Day 1 post-coup. Teachers strike ends. President of FIV [Venezuelan Investment Fund] guarantees that coup attempt will not affect confidence of investors.

6 February 1992: AD [Democratic Action] asks CAP to form a broad-coalition government. After 48 hours without a market, the dollar closes at 63.85 bolivars. DISIP [Directorate of Intelligence and Prevention Services] seizes copies of periodical ZETA.

7 February 1992: CAP names a commission to investigate the coup attempt and proposes that the OAS complete "a sincere review of our actions." Canache Mata [AD leader] asks for emergency measures and the Executive studies a minimum wage of 9,000 bolivars.

8 February 1992: CAP tells the international press that there will be no modification of the economic program and denies that the latter could be connected with the coup attempt. Gonzalo Barrios is convinced that the only reason for the coup was ambition. The Metropolitan Police seize military uniforms at the 23 de Enero.

9 February 1992: A verbal campaign is launched in defense of freedom of expression. The main newspapers continue to receive intervention from civil censors, particularly EL DIARIO DE CARACAS. Humberto Celli [AD president] says that guarantees will be restored in less than ten days.

10 February 1992: CAP summons directors of the social communications media and proposes a "gentlemen's agreement"; censors replaced by self-censorship.

11 February 1992: AD deems it inopportune to ask CAP to modify his economic package. According to the White camp, it is not wise to express differences with the chief of state outwardly despite the position of criticism of economic reforms it maintained for three years. The minister of family announced that plans for the social megaproject would be outlined. American companies rule out investments in Venezuela in heavy crudes.

12 February 1992: CAP promises to restore freedom of expression. Rumors of bombs in National Congress and courts.

13 February 1992: Even though guarantees are still suspended, the government rejects the campaign of rumors.

14 February 1992: The government hesitates with regard to restoring constitutional guarantees.

15 February 1992: The attorney general says those arrested for the 4 February revolt are protected by the constitution. Relatives of the coup perpetrators set up a committee for their legitimate defense.

17 February 1992: The government restores three guarantees: freedom of expression, transit, and striking. Newsmen call a strike for 25 February.

18 February 1992: Arrest warrant issued for 33 officers for military rebellion. CAP does not attend Texas summit conference and consults on Cabinet changes.

22 February 1992: CAP: "I am not resigning and they cannot resign for me."

26 February 1992: CAP announces economic measures: a freeze on electric rates, expansion of the middle-class

housing construction plan, financing of cars for those needing transportation, generic medicine proposals, expansion of PAMI [Comprehensive Medical Assistance Plan], expansion of the water supply, increase in day-care facilities, revival of the Gran Mariscal de Ayacucho Scholarship Plan, improvements in hospitals. An advisory council is set up to draft recommendations on the social, economic, political, and institutional situation in the country for CAP.

1 March 1992: Lieutenant Raul Alvarez Bracamonte deserts from his unit taking weapons with him.

4 March 1992: Crisis in Congress, draining the Constituent Congress of all substance. Dollar shoots up to 67.70 bolivars.

7 March 1992: The costume for Venezuelan Mardi Gras is a uniform with a red beret. Security intensified in Miraflores for CAP's annual message.

8 March 1992: CAP changes eight Cabinet ministers.

10 March 1992: "Pots-and-pans" protest shakes the country. Despite the coalition government, Venezuelans protest with casseroles, barricades, burning tires, and shouts of protests against the government of Carlos Andres Perez. The people's assembly ends with bombs, water, birdshot, and seven dead.

18 March 1992: CORDIPLAN [Office of Coordination and Planning] announces rate increases on goods and services amounting to roughly 15 percent for next year.

19 March 1992: Pinerua makes his debut in the MRI [Ministry of the Interior] by quelling the student march demanding CAP's resignation. Tear gas is used in abundance. Students and unions plan national strike. "Dress rehearsal" called for 8 April.

22 March 1992: The Bicameral Commission for Constitutional Revision passes referendum in order to revoke mandate of government officials not applicable to CAP.

23 March 1992: AD takes up defense of Senator David Morales Bello, considered head of the legal tribe that bears his name. Los Teques sponsors disturbances over fare hike. IMAU workers threaten strike.

24 March 1992: Chavez and comrades come to blows over leadership of Bolivarian Movement. Country's pharmacies closed for three hours due to the price hike affecting drugs.

25 March 1992: Chavez claims there was no fight. CANTV [National Telephone Company of Venezuela] employees threaten work stoppage.

26 March 1992: Valencia sponsors flag march. At night, the pots and pans resume their racket; 10 wounded and 20 arrests.

28 March 1992: Economic officials report that they would push social megaproject in Congress. Blanca Ibanez goes to Canada to escape extradition. Defense denies conspiracy in the Navy.

30 March 1992: Court and hospital workers strike. CAP and governors confirm military subversion.

2 April 1992: Chavez moved to Tuy under heavy military guard. Demonstrators march in support of coup authors; march broken up by tear gas. Ministry of Justice protests police excesses.

8 April 1993 [sic]: Students and unions strike. The dress rehearsal ends in bombs, bottle throwing, the burning of tires, even homemade Molotov cocktails. Perez Carreno doctors initiate strike the following day.

10 April 1992: Disturbances at UCV [Central University of Venezuela]. Caracas fills up with garbage because of sanitation strike. Perez resumes traveling. Strike of doctors and public employees continues. Demonstrations by doctors.

20 April 1992: Judge asked to inspect sanitary conditions at Yare Prison. Two hundred San Martin residents protest lack of water.

22 April 1992: Perez denies military uprisings. Fiscal deficit nears 35 billion bolivars. IMF pressures for tax hikes in Venezuela.

23 April 1992: Arrests at Maracay FAV [Venezuelan Armed Forces] for attempted uprising. Oil workers announce strike. Inflation about 8.7 percent. Doctors continue their strike.

9 May 1992: Heavy maritime shipping fleet strike announced. Public employees also go out on strike. CAP asks AD trade unionists for help stopping wave of strikes. Pharmaceutical workers and Bolivarians march.

17 May 1992: So far in May, 80 crime-related deaths. Prediction of a half million unemployed due to ministerial reduction.

18 May 1992: OCEI [National Office of Statistics and Information], Justice, Labor, and MTC [Transport and Communications Ministries] employees strike. More disturbances at UCV. CAP claims that civil war, coups, and guerrillas have no future in Venezuela.

2 June 1992: Student and union protests nationwide. Perez fails to receive permission to go to Rio Summit Conference.

4 June 1992: CAP's travels and the disturbances cause Venezuelan debt titles to drop. Health employees threaten strike. CAP guarantees he will serve out his presidential term.

10 June 1992: Metropolitan Police fire on eight newsmen covering disturbances. The dollar goes to 66 bolivars. Anti-Perez march broken up. FCU [Federation of University Centers] announces student actions.

15 June 1992: Residents of La Vega take to the streets to protest lack of water. CANTV employees call indefinite strike. The dollar goes to 66.18 bolivars.

20 June 1992: People's caravan drives through Caracas asking for CAP's ouster. They ask Pinerua to release the list of corrupt individuals he promised when he was just an AD leader.

25 June 1992: Disturbances in Caricuao. Over 100 crime-related deaths during the month.

29 June 1992: Nine ministers leave Cabinet. Defense halts 150 promotions. Security tightened for 5 July.

4 July 1992: Buses go out on strike.

7 July 1992: Presence of Eduardo Fernandez in Los Teques causes sharp disturbances. Uslar asks for Perez's resignation. Dollar at 67.10.

14 July 1992: Water reaches La Vega after strong protests.

17 July 1992: Canada residents halt transit for five hours on 23 January due to flooding with waste water.

23 July 1992: Caracas without water for 72 hours.

25 July 1992: Oswaldo Alvarez Paz [COPEI] (Social Christian Party) governor in Zulia] warns of new uprising "if politicians begin to act as if it were all over."

20 [sic] July 1992: The Mayoralty of Sucre declares emergency zone. One hundred and twenty houses walled in by rain. The Chamber of Deputies passes constitutional reform. Guatire-Caucagua road closed by landslides.

30 July 1992: Executive approves rate increase for electricity this year. New transport hikes in a week.

1 August 1992: Survey points to possible social upheaval in 14 districts of Caracas.

2 August 1992: Residents of Las Mayas protest lack of water. Inflation nears 18.5 percent. Exit tax rises to 800 bolivars.

6 August 1992: Chavez predicts new uprising, "civic and military this time." Los Teques protests lack of water. Corn meal will rise to 40 bolivars. Reduction in MTC budget.

30 August 1992: Inflation reaches 21.7 percent. Venezuela comes in 44th in human development index.

7 [sic] August 1992: Rainfall in Barlovento leaves 10,000 victims. First day of gas hike. INOS [National Institute of Sanitation Works] workers threaten to cut water.

16 August 1992: Dollar reaches 69.05. Bolivarians announce protests and a pots-and-pans march. Disturbances at UCV.

23 August 1992: Antonio Rios falls victim to an attack. CAP and other politicians blame media. Flooding in Sarria affects 45 families.

31 September 1992: Classes resume with 60 schools directorless. Inflation reaches 24.1 percent.

6 October 1992: Two Army majors arrested in DIM [Military Intelligence Directorate]. Students march to Attorney General's Office.

9 October 1992: Caracas without water due to defects in Tuy. Survey shows that 72 percent of Venezuelans hate [sic] politicians.

12 October 1992: Excesses of presidential guard in Paraguaipoa result in two deaths and rumors of attempted attacks.

16 October 1992: Dollar reaches 78. CAP approves of electricity rate hike.

5 November 1992: Congress passes Aguilar proposal for shortening CAP's term.

10 November 1992: COPEI halts Aguilar. CSE [Supreme Electoral Council] will not support ticket against Perez.

* Fedecamaras Guarantees Food, Medicine Supplies

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[Article by Rosita Regalado]

[Excerpts] *The top business leaders are meeting with the financial sector to counteract harmful speculation with foreign currencies and other elements of the economy.*

"It is difficult, within a few hours, to restore normality and ease tensions after a destabilizing message, which usually has an effect of creating hotheadedness and incitement to violence among some minorities, which is not easy to control. In this case, it would be fitting for the entire national leadership to guide the population, fostering sound judgment and good sense."

This statement was made by Freddy Rojas Parra, president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], after he learned of the new acts of violence in the city, accompanied by looting and attacks on buildings.

"All the communities have neighborhood leaders who can play a constructive role, calling for good sense. In any case, the incidents on Friday, 27 November, have resulted in a deep-seated repudiation by the population for the acts of violence. A vast majority does not want disorder, anarchy, or violence as a means of expression, and that same majority has all the resources for attempting to assert itself over those who refuse to understand that message."

He emphasized: "Events such as those on Friday, short-lived, but with a strong impact, cause inestimable damage and loss of life, which are irreparable. The leaders and the direct, intellectual perpetrators of this adventure must answer to the country for both types of losses. We businessmen aspire to the imposition of order as soon as possible, and to this end we are offering to do our fair share to guarantee the population's indispensable supplies."

The Fedecamaras president also claimed that, for this purpose, there must be greater cooperation with the authorities from the economic area. In view of the negative consequences of these incidents, it would be good for the population to know that all efforts have been expended jointly by the private sector industrialists and merchants to guarantee supplies of food and medicine, because there is sufficient production to meet the demand, even for panic buying. The reason is that these goods are produced in the interior, where it is peaceful and calm, according to information received yesterday.

"Therefore, we expect everything to become normal within the next few days, insofar as food supplies are concerned. So, people shouldn't do any panic buying."

Financial Speculation

Rojas Parra revealed that he is in contact with sectors of the financial system.

"The intellectual perpetrators of the events of Friday, 27 November, have not estimated, nor could anyone even imagine, the possible magnitude of the damage done to our image abroad, when we were making favorable progress in restoring it after the February incidents. This has eroded Venezuela's image abroad to an even greater extent. It has assaulted every effort in the public and private sectors, as well as that of the embassies, to promote investment and the creation of new business firms, as a means of creating new jobs in the country."

On the other hand, he claimed that the entire private sector, and especially the financial and stock exchange areas, would make their best effort to absorb the negative consequences that will surely be a result. Therefore, they are working in complete harmony with the BCV [Central Bank of Venezuela] to reduce the costs of panic withdrawals of funds, and of foreign currencies in general, for currency speculation. [passage omitted]

Moreover, he calculates that the fact that two coup attempts have been averted in a single year has lent Venezuelan democracy greater firmness, because the firmness of most of the Armed Forces and of the country's other institutions viewing democracy as the right path is obvious. [passage omitted]